

Exhibit I-1A. Request for Designation as Complex Chapter 11 Case

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND

at _____

In re: _____) Case No. _____
) (Chapter 11)
Debtor _____)
)

**REQUEST FOR DESIGNATION AS COMPLEX CHAPTER 11
BANKRUPTCY CASE**

This bankruptcy case was filed on _____, 20____. The Debtor believes that this case qualifies as a Complex Chapter 11 Bankruptcy Case because:

- ☐ There is a need for emergency consideration of the following “first day” motions. (**NOTE: This ground alone is NOT sufficient.**)
- ☐ The Debtor has total debt of more than \$_____ million and unsecured non-priority debt of more than \$_____ million;
- ☐ There are more than _____ creditors and other parties in interest in this case;
- ☐ Claims against the Debtor are publicly traded;
- ☐ Equity interests in the Debtor are publicly traded;
- ☐ Other: Substantial explanation is required. (Attach additional sheets if necessary.)

Date Signed: _____

Counsel for Debtor in Possession

cc: Debtor
Debtor’s Counsel
Committee Counsel
U.S. Trustee
Limited Service List

Exhibit I-1B. Order Granting Complex Chapter 11 Case Treatment

LOCAL BANKRUPTCY FORM NO. 3

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

IN RE:) Bankruptcy No. _____
) Chapter 11
Debtor(s))

**INITIAL ORDER FOR COMPLEX CHAPTER 11
BANKRUPTCY CASE**

This bankruptcy case was filed on _____. An Ex Parte Motion for Designation as a Complex Chapter 11 Case was filed. After review of the initial pleadings filed in this case, the Court concludes that this is a Complex Chapter 11 Case and issues this scheduling order.

1. The Debtor shall maintain a Service List identifying the parties that must be served whenever a motion or other pleading requires notice. Upon establishment of such a list, notices of motions and other matters will be limited to the parties on the Service List.

a. The Service List shall initially include the Debtor, Debtor's counsel, counsel for the unsecured creditors' committee, U.S. Trustee, all secured creditors, the 20 largest unsecured creditors, any indenture trustee, and any party that files a request for notice.

b. Any party in interest that wishes to receive notice, other than as listed on the Service List, shall be added to the Service List merely by request filed of record with the Clerk and served on the Debtor and Debtor's counsel.

c. Parties on the Service List are encouraged to give a fax number or e-mail address for service of process and parties are encouraged to authorize service by fax or e-mail. Consent to fax or e-mail service may be included in the party's notice of appearance and request for service.

d. The Service List shall be filed within 3 calendar days after entry of this Order. Debtors shall update the Service List and file with the Clerk a copy of the updated Service List upon request of a party to be added.

2. The Court hereby establishes the following dates and times for hearing all motions and other matters in this case in Courtroom _____ at _____.

3. If a matter is properly noticed for hearing and the parties reach agreement on a settlement of the dispute prior to the hearing, the parties may announce the settlement at the scheduled hearing. If the Court determines that the notice of the dispute and the hearing is adequate notice of the effects of the settlement, the Court may approve the settlement at the hearing without further notice of the terms of the settlement.

Exhibits

4. The debtor shall give notice of this Order to all parties in interest within 5 calendar days. If any party in interest objects to the provisions of this Order, that party shall file and serve a motion for reconsideration and proposed order within 10 days of the date of this Order articulating the objection and the relief requested.

Date: _____

United States Bankruptcy Judge

Exhibit I-2. Local Rule on Joint Administration of Cases

United States Bankruptcy Court for
the District of Massachusetts

RULE 1015-1. JOINT ADMINISTRATION OF CASES PENDING IN THE SAME COURT

(a) Motion for Joint Administration

A request for an order allowing joint administration of two or more related cases pursuant to Fed. R. Bankr. P. 1015-b shall be made by motion. In the motion for joint administration, the moving party shall 1) designate the name and number of the lead case for conducting proceedings in the jointly administered cases; 2) state the cause warranting joint administration, including the reasons supporting the proposed lead case designation; and 3) state any known facts which may give rise to actual or potential conflicts of interest warranting protection of the interests of creditors of the various estates. A motion for joint administration shall be filed in each case for which joint administration is proposed. A motion for joint administration shall be served by the moving party on all creditors and equity security holders who have requested notice in accordance with Fed. R. Bankr. P. 2002(i), any committee elected under § 705 or appointed under § 1102 of the Bankruptcy Code, the twenty largest unsecured creditors in each case as listed on Official Form 4, all secured creditors and taxing authorities, all attorneys of record, any appointed trustee, and the United States trustee. The court shall grant the motion for joint administration if it is likely to ease the administrative burden on the parties and the court.

(b) Notice and Effect of Order

Upon entry of an order authorizing joint administration of cases, or upon the automatic allowance of a motion for joint administration in accordance with (c) below, the moving party shall serve notice of said order upon all creditors and interested parties of all debtors that are the subject of the motion. The court shall enter the order in each of the other related cases in addition to the designated lead case. An order approving joint administration shall not effect substantive consolidation of the respective debtors' estates.

(c) Automatic Joint Administration of Chapter 11 Cases

If a motion for joint administration of debtors, other than individual debtors, is filed at the same time as the filing of the petitions commencing the cases proposed to be jointly administered, the motion for joint administration shall be treated as an emergency motion and shall be allowed effective upon filing, subject to reconsideration as set forth in (d) below.

(d) Reconsideration

The Court may reconsider an order allowing joint administration upon motion of any party in interest or *sua sponte*.

Exhibit I-3. Judicial Conference Guidelines for Implementing 28 U.S.C. § 156(c)

Guidelines on Use of Outside Facilities and Services

Generally

1. Authority. Section 156(c) of Title 28 authorizes bankruptcy courts to use outside facilities or services to provide notices, dockets, calendars, and other administrative information to parties in bankruptcy cases where the cost of such facilities or services are paid for out of the assets of the estate and are not charged to the United States. The statute provides that the use of such facilities and services is subject to any conditions and limitations imposed by the pertinent circuit council.

Comments: Section 156(c) was enacted in recognition that the day-to-day activities and administrative requirements in some large bankruptcy cases are too onerous to be performed efficiently by the bankruptcy clerk's office. Services such as noticing, providing copies of case papers, and processing proofs of claims and interest can sometimes be performed more efficiently outside the bankruptcy clerk's office. The statute authorizes the bankruptcy court to permit third parties to perform these services at the estate's expense.

The need for such outside services is most prevalent in so-called "mega-cases," which are extremely large bankruptcy cases with hundreds or thousands of creditors. The staffing levels of bankruptcy clerks' offices sometimes cannot absorb such dramatic increases in workloads.

Records

2. Custodian. Pursuant to 28 U.S.C. § 156(e), the bankruptcy clerk of court is the official custodian of the records and dockets of the bankruptcy court. As custodian of the records and dockets of the bankruptcy court, the bankruptcy clerk is responsible for the security and integrity of all the bankruptcy court's records and dockets, including those maintained by the debtor or a third party.

Comments: The bankruptcy clerk is responsible for the security and integrity of all the bankruptcy court's records and dockets, including dockets, claims registers, mailing matrices, and other case papers maintained by the debtor or a third party.

How the bankruptcy clerk assures the security and integrity of the records and dockets depends on the procedures utilized in a particular case.

If the estate has hired personnel to work in the bankruptcy clerk's office, the bankruptcy clerk should supervise their work. If the debtor or a third party maintains claims registers, mailing matrices, or other case papers outside the bankruptcy clerk's office, the bankruptcy clerk should institute a system to monitor and check its work.

The bankruptcy clerk should institute safeguards to be included in the procedures used by others.

For example, if the debtor or a third party is to process proofs of claims and produce the claims register, it may be required to issue an acknowledgment when a proof of claim is filed. The notice of the meeting of creditors could state that ac-

knowledgments are to be issued for proofs of claims and that if a creditor does not receive one within a week after filing a proof of claim, the creditor should contact the bankruptcy clerk.

Another example of a safeguard would be to require that the third party submit updated copies of the claims register or mailing matrix to the bankruptcy court on a weekly basis.

3. Filing. Proofs of claim or interest, complaints, motions, applications, objections, and other case papers shall be filed with the bankruptcy clerk's office, which, after noting receipt, upon order of the court, may transmit case papers to an outside entity for maintenance.

Comments: Bankruptcy Rules 3002(b) and 5005(a) require that proofs of claim or interest, complaints, motions, applications, objections, and other case papers be filed with the bankruptcy clerk of court in the district where the case is pending, except as specified by section 1409 of Title 28 and except as a judge permits papers to be filed with the judge.

The bankruptcy court should assure itself of the integrity of the procedures before directing that proofs of claim or interest, or other case papers be transmitted to a third party.

If all case papers are filed in the bankruptcy clerk's office and stamped with the date received, the papers can be picked up by the debtor or a third party for processing at another location. The bankruptcy clerk can copy some papers to make spot checks of their processing by the debtor or a third party.

The bankruptcy clerk can obtain a special post office box for the receipt of proofs of claim in mega-cases. This separates the proofs of claim from other mail and speeds processing.

4. Disposition. The bankruptcy clerk remains responsible for the disposition of case papers after the conclusion of a case in which the bankruptcy court has directed the debtor or a third party to maintain the records.

Comments: Although the order which directs the debtor or a third party to maintain records does not necessarily have to provide for their disposition, the bankruptcy clerk should begin planning for records disposition early in the case.

5. Claims. If debtors or third parties are directed to process proofs of claim and maintain the claims register, they should be directed to perform related functions, such as recording transfers of claims and giving notices of transfer.

Comments: Bankruptcy Rule 3001(e)(2),(3),(4) requires notices of certain transfers of claims. The party which processes proofs of claim and maintains the claims register is best able to give the notices. Bankruptcy Rule 3001 requires that the court enter an order on many transfers. The original notices and orders should be placed in the case files.

Bankruptcy Rule 3004 requires notice to the creditor when the debtor or trustee files a claim in the name of the creditor. The party that processes proofs of claim and maintains the claims register is best able to provide the notice.

6. Public records. Section 107 of the Bankruptcy Code provides that the papers filed in bankruptcy cases and the bankruptcy court's dockets are public records unless the bankruptcy court orders otherwise. Case papers such as proofs of claim remain public records even if the debtor or a third party is directed to process and maintain those records. The bankruptcy clerk should ensure that those records are open to examination at reasonable times without charge.

Comments: Case papers processed and maintained by the debtor or a third party at a location outside the bankruptcy clerk's office should be available for review at that location during normal business hours.

Because it may often be impractical for parties to review case papers where the papers are processed and maintained, the bankruptcy clerk should attempt to make as much information available as is possible.

As an example, if a third party or the debtor processes proofs of claim and interest and generates the claims register, the third party or the debtor should furnish copies of the updated claims register to the bankruptcy court at least weekly.

Personnel

7. Waivers. Personnel employed by the estate to assist the bankruptcy clerk's office are not government employees. They should not be administered oaths of office although they may be asked to sign a waiver of any right to compensation by the government. Because such personnel are not government employees, the bankruptcy clerk may not fire them.

Comments: There is no need to administer an oath of office to personnel paid by the estate to assist the bankruptcy clerk's office in processing a case. Administering an oath to such personnel fosters the false impression that they are government employees.

Administering an oath to a new government employee impresses the employee with the obligations of office and triggers certain restrictions on the employee's activities. A written waiver including a statement of the obligations of personnel employed by the estate to assist the bankruptcy clerk's office is less suggestive of government employment.

The bankruptcy clerk should request that special employees sign a written waiver of any right to receive compensation from the government, civil service retirement credit, or other benefits of government employment. The waiver should also include an acknowledgment that the special employee is to be paid by the estate, is directly accountable to the bankruptcy clerk, and will not receive instructions, directions, or orders from the debtor or the trustee.

The waiver should also specify that the special employees will refrain from discussing pending or impending cases, will not disclose confidential information received during the course of their employment, and will not profit from such confidential information. These obligations are included in the code of conduct for clerks, which require that the clerks impose these specific obligations on their staffs.

8. Supervision. The bankruptcy clerk is responsible for supervising the work of personnel employed by the estate to assist the bankruptcy clerk's office.

Comments: The bankruptcy clerk of court may select personnel to be employed by the estate to work in the bankruptcy clerk's office pursuant to section 156(c). If authorized by the order directing the estate to employ the personnel, the bankruptcy clerk may specify the terms of their employment. Due to the nature of such special employees' work, the bankruptcy clerk or a designated deputy clerk should supervise their work.

For the ease of supervision, it is desirable that the special employees work in the bankruptcy clerk's office if sufficient space is available. This also makes it easier to maintain security for the case papers processed by special employees.

9. Favoritism. Personnel employed by the estate to assist the bankruptcy clerk's office may not provide special services for the debtor or the trustee. The bankruptcy clerk should strive to avoid any appearance that these personnel favor the debtor or any other party while performing official duties.

Comments: While they are assisting the bankruptcy clerk's office, special employees should not be in contact with the debtor, except on official business or to receive their paychecks. They should not receive instructions, directions, or orders from the debtor or the trustee.

The bankruptcy clerk should strive to avoid any impression that the special employees favor the debtor or any other party in their work for the bankruptcy clerk's office. For this reason, the special employees should not work in the debtor's business and assist the bankruptcy clerk's office at the same time. It is desirable that the special employees not be former employees of the debtor.

Facilities

10. Equipment. Any equipment, furniture, or other facilities leased or purchased at the estate's expense for the court's use in a bankruptcy case is property of the estate and will be returned to the estate after its use by the bankruptcy court.

Comments: Because section 156(c) prohibits charging the cost of such equipment, furniture, or other facilities to the United States, the bankruptcy clerk should explain to the seller or lessor that the estate—not the bankruptcy court—is responsible for payment.

Services

11. Copies. If the bankruptcy clerk selects a commercial copy service to provide copies of papers in one or more cases, the bankruptcy clerk must exercise care to avoid the appearance of favoritism in the selection. The bankruptcy clerk should request written proposals for the work as part of the clerk's determination of which commercial copy service is best qualified to provide such a service. If the cost of the copies is expected to total more than \$25,000, the bankruptcy clerk should make a formal solicitation of written proposals for the work. If a very large case is filed without advance notice, the bankruptcy clerk may not have time to solicit formal written proposals for the copy services. In such an instance, the clerk may solicit proposals orally and document the solicitation and responses.

Comments: The bankruptcy clerk's office may not be able to efficiently handle the volume of copy requests in a mega-case. With planning and the bankruptcy clerk's assistance, a private copy service may be able to provide copies of case papers at a lower price than the bankruptcy clerk's office. This saves time for the bankruptcy clerk's office and saves money for the parties. The time savings is particularly important in mega-cases, in which copy requests could otherwise require much of the bankruptcy clerk's office's time.

The bankruptcy clerk must exercise care to avoid the appearance of favoritism in the selection of a copy service to provide copies in a mega-case. The bankruptcy clerk should make at least an informal survey to determine which copy service is best qualified to provide copies on the basis of reliability, price per copy, and additional services to be provided, such as maintaining a duplicate file for review by the public.

Advertising is required for most government purchases of more than \$25,000 by 41 U.S.C. § 5. Although the bankruptcy court's designation of a copy service is not a government purchase of services, it does convey a valuable business opportunity.

Basic fairness requires that all qualified copy centers be allowed to submit proposals if the bankruptcy clerk anticipates that more than \$25,000 worth of copies will be requested in a year. If time permits, the bankruptcy clerk should send written requests for proposals to each of the local copy services, which are capable of performing the work in a timely manner. If time permits and the bankruptcy clerk anticipates that more than \$25,000 worth of copies will be requested in a year, copies of all of the written proposals should be sent for review to the Contracts Branch of the Contracts and Services Division of the Administrative Office before a particular proposal is selected.

Proposals for making copies should be solicited on a contingent basis before a mega-case is filed. If it has not been done, the request for proposals can be conveyed orally or hand-delivered with instructions that they be returned within 48 hours.

The order designating the copy service can also require that the parties file an extra copy of all case papers except proofs of claim. The intake and docket clerks can process the copies along with the originals, and the copy service can pick up the copies and an updated docket sheet once a day. The parties can then order copies by docket numbers or can place standing orders for copies.

The request for proposals should require the copy center to maintain a duplicate case file from which copies will be made. The request may also require that the copy center make the duplicate file available for review without charge during normal business hours.

Notices

12. Mailing lists. A debtor in a voluntary case must file a list containing the names and addresses of its creditors, even if the debtor or a third party is ordered to mail all notices in the case. If the debtor or a third party is directed to maintain the mailing matrix in a case, it shall make copies of the matrix available as requested by other parties or the bankruptcy court.

Comments: Bankruptcy Rule 1007(a) requires that debtors in voluntary cases file mailing lists with their petitions unless the petitions are accompanied by schedules of liabilities or Chapter 13 statements. Other parties may need to review the list. Another party or the bankruptcy clerk's office may need the list in order to provide a notice.

In certain circumstances the bankruptcy court may permit the debtor to file the mailing list in the form of a computer tape. The bankruptcy clerk shall take steps to ensure that the mailing list is maintained properly and that it is protected against loss or damage.

13. Certificates of service. The bankruptcy court or the bankruptcy clerk should approve the form and content of any notice not provided by the clerk's office and should receive from the person providing notice a certificate of service which includes a copy of the notice and a list of persons to whom it was mailed.

Comments: Pursuant to the Bankruptcy Noticing Guidelines adopted by the Judicial Conference in March 1986, the parties shall file certificates of service for the notices which they provide. If counsel for the party signs a certificate of service, the certificate may generally state that notice was given to certain parties (such as the parties on the mailing matrix as of a certain date). If someone else signs the certificate, the certificate shall be accompanied by a list of the names and addresses of the parties served.

To ease the burden of reviewing the form and content of notices not prepared by the bankruptcy clerk's office, the bankruptcy clerk and the bankruptcy court can develop form notices for various circumstances. The bankruptcy court can specify the required contents for certain notices in its local rules.

Miscellaneous

14. Assistance. The Bankruptcy Division of the Administrative Office should be consulted when unusual questions or problems arise concerning outside facilities or services.

Comments: Mega-cases often present unusual questions or problems, such as the need to hire additional personnel on an expedited basis or to address unique circumstances in the meeting of creditors notice. The Bankruptcy Division can either answer the questions or refer them to the appropriate office.

Exhibit I-4. Sample Waiver Form for Special Employees of the Estate

Waiver Agreement for Special Employees of the Estate

I, _____, hereby declare that in performing services for the court my status will be that of a “special employee of the estate” of _____, debtor in case no. _____ in the United States Bankruptcy Court for the _____. A “special employee of the estate” for the purposes of this agreement is defined as a person who is employed by the debtor’s estate pursuant to 28 U.S.C. § 156(c) to perform services for the court under the direction of the clerk of court in connection with the bankruptcy case filed by the debtor under Title 11 of the United States Code.

I understand that as a “special employee of the estate,” I am not an employee of the Federal Government and that the debtor’s estate is responsible for the payment of all wages and benefits to which my services may entitle me. I understand that as a “special employee of the estate,” I am not entitled to the protections provided to Federal Government employees by the Federal Tort Claims Act from liability for negligence in the performance of duties or by the federal worker’s compensation program for on-the-job injuries. I further understand that I will be directly answerable to the clerk of the court, and that I will not take instructions, directions, or orders from the debtor or any trustee who may be appointed in the bankruptcy case, nor will I provide any services to these entities without the approval of the clerk.

I hereby waive any claim or right to receive salary or other compensation, including fringe benefits, from the Federal Government as a result of my services. Further, I hereby agree to: (1) abstain from public comment about a pending or impending proceeding in the court; and (2) refrain from disclosing to any person outside of the clerk’s office, including the debtor or the trustee or representatives of the debtor or the trustee, any confidential information received in the performance of my duties and from employing such information for personal gain.

Name

Witness

Date

Date

Acceptance by Clerk of Court

Pursuant to 28 U.S.C. § 156(c), I hereby accept the services of the above named “special employee of the estate” on behalf of the court subject to the understandings and waivers set forth above.

Clerk of Court

Exhibit I-5. Sample Order Appointing Claims Agent

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA

-----X
In re: :
: Chapter 11
: Case No.
:
: (No Hearing requested)
Debtor(s). :
:
:
-----X

ORDER AUTHORIZING EMPLOYMENT OF [name of claims agent] AS
CLAIMS, VOTING AND NOTICING AGENT OF THE BANKRUPTCY
COURT UNDER 28 U.S.C. § 156(c)

The Court having reviewed the Application for Order Appointing [name of claims agent] as Claims, Voting and Noticing Agent of the Bankruptcy Court Under 28 U.S.C. § 156(c) (the “Application”),¹ filed by [name of debtor], the debtor and debtor in possession herein (the “Debtor”) for entry of an order under 28 U.S.C. § 156(c) approving an agreement with [name of claims agent] appointing [name of claims agent] as claims administrator and noticing and balloting agent of the Bankruptcy Court (the “Claims and Noticing Agent”); and the court having reviewed the Application and the Declaration of [name of claims agent], and the Court being satisfied with the representations made in the Application and the [name of claims agent] that [name of claims agent] represents no interest adverse to the Debtor’s estate with respect to the matters upon which [name of claims agent] is to be engaged, that [name of claims agent] is a “disinterested person” as that term is defined in section 101(14) of the Bankruptcy Code, as modified by section I 107(b) of the Bankruptcy Code, and that [name of claims agent] appointment is necessary and would be in the best interests of the Debtor’s estate; and it appearing that proper and adequate notice has been given that no other or further notice is necessary; and upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefore, it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The Application is GRANTED, as of the commencement of this chapter 11 case.
2. [Name of claims agent] is appointed as the Claims and Noticing Agent in this chapter 11 case, as of the commencement of this case, pursuant to 28 U.S.C. § 15b(c), and is authorized to perform the following services as requested by the of-

1. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the Application.

Office of the Clerk of the Bankruptcy Court for the Northern District of California (the “Clerk’s Office”) or the Debtor:

- (1) Serve required notices in this chapter 11 case, including:
 - (a) A notice of the bankruptcy filing, the Section 341 meeting of creditors, the claims bar date, etc. in a form or forms approved by the Clerk, the Office of the United States Trustee and this Court;
 - (b) Notices of objections to claims;
 - (c) Notices of any hearings on a disclosure statement and confirmation of a plan of reorganization or liquidation; and
 - (d) Such other miscellaneous notices as the Debtor or the Court may deem necessary or appropriate for an orderly administration of this chapter 11 case;
- (2) Within five business days after the service of a particular notice, file with the Clerk’s Office an affidavit of service that includes (i) a copy of the notice served, (ii) an alphabetical list of persons on whom the notice was served, along with their addresses, and (iii) the date and manner of service;
- (3) Maintain the originals of all proofs of claim and proofs of interest filed in these cases, until such time as the Clerk’s Office directs [name of claims agent] to return such original proofs of claims and interest and file-stamp all documents received with a stamp approved by the Clerk, and file-stamp and return any copies of documents received in the filer’s self-addressed, stamped envelope(s);
- (4) Maintain official claims registers in these cases by docketing all proofs of claim and proofs of interest in a claims database that includes the following information for each such claim or interest asserted:
 - (a) The name and address of the claimant or interest holder and any agent thereof, if the proof of claim or proof of interest was filed by an agent;
 - (b) The date the proof of claim or proof of interest was received by [name of claims agent] and/or the Court;
 - (c) The claim number assigned to the proof of claim or proof of interest;
 - (d) The asserted amount and classification of the claim; and
 - (e) The debtor against which a proof of claim or interest is filed.
- (5) Implement necessary security measures to ensure the completeness and integrity of the claims registers;
- (6) Transmit to the Clerk’s Office a copy of the claims registers as requested by the Clerk’s Office;
- (7) Maintain a current mailing list for all entities that have filed proofs of claim or proofs of interest and make such list available upon request to the Clerk’s Office or any party in interest;
- (8) Provide access to the public for examination of copies of the proofs of claim or proofs of interest filed in these cases without charge during regular business hours, and provide copies of any such proofs of claim and proofs of interest to members of the public, upon request, at a cost that is no greater than the per-copy price that is charged by the Court’s third-party copy service;

(9) Record all transfers of claims pursuant to Bankruptcy Rule 3001(e) and provide notice of such transfers as required by Bankruptcy Rule 3001(e), and record all claims filed by a debtor or trustee pursuant to Bankruptcy Rule 3004 and provide notice of such claims as required by Bankruptcy Rule 3004;

(10) Comply with applicable federal, state, municipal and local statutes, ordinances, rules, regulations, orders and other requirements;

(11) Provide temporary employees to process claims, as necessary;

(12) Promptly comply with such further conditions and requirements as the Clerk's Office or the Court may at any time prescribe; and

(13) Provide such other claims processing, noticing and related administrative services as may be requested from time to time by the Debtor.

3. [Name of claims agent] also is authorized to continue assisting the Debtor with, among other things: (a) the preparation of their schedules, statement of financial affairs and master creditor lists and any amendments thereto; (b) the reconciliation and resolution of claims; and (c) the preparation, mailing and tabulation of ballots for the purpose of voting to accept or reject a plan of reorganization.

4. The fees and expenses of [name of claims agent] incurred in the performance of the above services in accordance with the Agreement appended to the [name of claims agent] Declaration as Exhibit "A" shall be treated as an administrative expense of the Debtor's chapter 11 estate and shall be paid by the Debtor on a monthly basis.

5. [Name of claims agent] shall submit monthly invoices to the Debtor. Simultaneously with the delivery to the Debtor of each monthly invoice for services rendered, [name of claims agent] shall deliver a copy of the invoice to the Office of the United States Trustee ("UST") and to counsel for the Official Committee of Unsecured Creditors ("Creditors' Committee"). The Debtor is hereby authorized to pay each [name of claims agent] invoice after the tenth day after the invoice has been submitted to the UST and Creditors' Committee counsel unless the Debtor is advised, within that 10-day period, that a party objects to the invoice, in which case the objecting party must schedule a hearing before the Court to consider the disputed invoice. At the conclusion of [name of claims agent] engagement, [name of claims agent], shall return to the Debtor any unused portion of its retainer.

IT IS SO ORDERED.

Dated: _____

United States Bankruptcy Judge

**Exhibit I-6. Sample Order Directing Debtor to Give Notices Pursuant to
Bankruptcy Rule 2002**

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF _____

In re _____)
) Chapter 11
)
Debtors) Case No. _____

**Order Directing Debtor to Give Notices
Pursuant to Bankruptcy Rules 2002**

Upon the request of the clerk of this court for an order directing the above-named debtor (the “Debtor”) to give certain notices required by Bankruptcy Rule 2002; and it appearing that the relief requested by the clerk is in the best interests of the Debtor’s estate and creditors and will assist the smooth and efficient administration of this Chapter 11 case; and sufficient cause appearing therefor, it is hereby

ORDERED that the Debtor shall give all notices required in this Chapter 11 case by Bankruptcy Rules 2002(a), 2002(b), 2002(d), 2002(f), 2002(i), and 2002(j); and it is further

ORDERED that the Debtor may give all notices that are required by Bankruptcy Rule 2002 to be given to creditors and indenture trustees by arranging for such notices to be given by [name of outside noticing agency] or a corporation that provides similar services, with such notices to be given by said corporation to those creditors and indenture trustees whose names appear on the list of creditors and indenture trustees filed by the Debtor with the court; and it is further

ORDERED that the Debtor may give all notices that are required by Bankruptcy Rule 2002 to be given to holders of publicly held debt and equity securities, including all notices required by Bankruptcy Rule 2002(d), by arranging for such notices to be given by the indenture trustee or transfer agent, as the case may be, for the securities, with such notices to be given by the trustee or transfer agent to those holders of securities whose names appear on a reasonably current list of such holders maintained by the trustee or transfer agent whose names appear on such a list as of a record date established by further order of this court; and it is further

ORDERED that the Debtor shall file with the court a Certificate of Service after the Debtor has given notice pursuant to Bankruptcy Rule 2002, and that in the case of notices which are given to creditors and indenture trustees by [name of outside noticing agency] or a corporation which provides similar services, or which are given to holders of publicly held debt and equity securities by the indenture trustee or transfer agent, the Debtor shall file with the court as promptly as possible under the circumstances a Certificate of Service which shall set forth to whom notice has been given; and it is further

ORDERED that all costs of giving notice as directed may be paid by the Debtor as administrative expenses out of its available funds without further order of this court; and it is further

ORDERED that the foregoing directions to the Debtor to give notice shall be without prejudice to the Debtor or any other person seeking an order of this court shortening the time to give notice or limiting the persons to whom notice is to be given as may be permitted by the Bankruptcy Code, Bankruptcy Rules or otherwise by this court.

Date: _____

United States Bankruptcy Judge

Exhibit I-7. Sample Procedures for Complex Chapter 11 Cases

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS

IN THE MATTER OF)
PROCEDURES FOR COMPLEX)
CHAPTER 11 CASES)

PROCEDURES FOR COMPLEX CHAPTER 11 CASES

Upon consideration of the recommendations of members of the bar of the Northern District of Texas, the court finds a need to implement policies and procedures to better serve the public and the bar in complex Chapter 11 cases. Accordingly,

IT IS ORDERED that the following procedures shall be implemented in complex Chapter 11 cases.

1. A “complex Chapter 11 case” is defined as a case filed in the Northern District of Texas under Chapter 11 of the Bankruptcy Code that requires special scheduling and other procedures because of a combination of the following factors:
 - a. The size of the case (usually total debt of more than \$10 million);
 - b. The large number of parties in interest in the case (usually more than 50 parties in interest in the case); or
 - c. The fact that claims against the debtor and/or equity interests in the debtor are publicly traded (with some creditors possibly being represented by indenture trustees).
2. If any party filing a Chapter 11 bankruptcy petition believes that the case should be classified as a complex Chapter 11 case, the party shall file with the bankruptcy petition a Notice of Designation as Complex Chapter 11 Case in the form attached as **Exhibit A**.
3. If a party has matters requiring expedited consideration by the court, it should submit a Request for Expedited Consideration of Certain “First Day” Matters in the form attached as **Exhibit B**.
4. Each judge shall arrange the judge’s calendar so that “first day” emergency hearings, as requested in the court-approved form entitled Request for Expedited Consideration of Certain First Day Matters, can be conducted consistent with the Bankruptcy Code and Rules, including Rule 4001, as required by the circumstances, but not more than two business days after the request for emergency “first day” hearings.
5. When a party has filed a Chapter 11 case and filed a Notice of Designation as Complex Chapter 11 Case, the **Clerk of Court shall**:
 - a. Randomly allocate the case to a judge in accordance with the usual procedures and general orders;

- b. Immediately confer with the court about designating the case as a complex Chapter 11 case and about setting hearings on emergency or first day motions. If the court determines that the case does not qualify as a complex Chapter 11 case, the court shall issue an Order Denying Complex Case Treatment in the form attached as **Exhibit C**. If the court determines that the case appears to be a complex Chapter 11 case, the court shall issue an Order Granting Complex Chapter 11 Case Treatment in the form attached as **Exhibit D**; and
 - c. Notify and serve counsel for the debtor with the order entered by the court relating to the complex case treatment and notify counsel for the debtor regarding the hearing settings for emergency or first day matters.
6. Counsel for the debtor, upon receipt of notice of entry of an order regarding complex Chapter 11 case treatment, shall:
- a. Serve the order granting or denying complex Chapter 11 case treatment on all parties in interest within seven days.
 - b. Provide notice of the first day or emergency hearings in accordance with the procedures shown in the form attached as **Exhibit E**.
7. Counsel shall follow the agenda guidelines for hearings in complex Chapter 11 cases attached as **Exhibit F** and the guidelines for mailing matrices and shortened service lists attached as **Exhibit G**.

The court has authorized the Chief Bankruptcy Judge of the district to adopt these procedures on behalf of the court.

United States Chief Bankruptcy Judge

EXHIBIT A

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
_____ DIVISION

IN RE: _____)
_____))
_____) CASE NO.
_____))
DEBTOR. _____)

**NOTICE OF DESIGNATION AS COMPLEX CHAPTER 11
BANKRUPTCY CASE**

This bankruptcy case was filed on _____, 20___. The undersigned party in interest believes that this case qualifies under General Order 2004-03 as a complex Chapter 11 case because:

- _____ The debtor has total debt of more than \$10 million;
_____ There are more than 50 parties in interest in this case;
_____ Claims against the debtor are publicly traded; and
_____ Other: Substantial explanation is required. (Attach additional sheets if necessary.)

_____, 20__

Name

Address

Telephone and Fax Numbers

E-Mail Address

EXHIBIT B

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
_____ DIVISION

IN RE: _____)
)
) CASE NO. _____
)
DEBTOR.)

**REQUEST FOR EXPEDITED CONSIDERATION OF CERTAIN
“FIRST DAY” MATTERS**

On _____, _____ filed a petition for relief under Chapter 11 of the Bankruptcy Code. Counsel for the debtor believes that the case qualifies as a “Complex Chapter 11 Case” as defined by General Order 2004-03. The debtor needs expedited consideration of the following initial case matters (check those that apply):

- _____ Motion for joint administration
- _____ Motion for order extending time to file schedules and statement of financial affairs
- _____ Motion re maintenance of bank accounts and existing cash management, attaching notice of conference with U.S. trustee
- _____ Motion to pay pre-petition wages, salaries, et al., attaching notice of conference with U.S. trustee and detailed exhibit showing who debtor proposes to pay and amounts
- _____ Motion for entry of interim order authorizing use of cash collateral
- _____ Motion for interim approval of post-petition secured and, if applicable, super-priority financing pursuant to section 364(c) of the bankruptcy code
- _____ Motion to establish interim notice procedures
- _____ Motion for order approving interim retention of professionals
- _____ Others (list):

_____, 20____

Exhibits

Name

Address

Telephone and Fax Numbers

E-Mail Address

* NOTE: The court expects the parties to exercise judgment regarding which motions are applicable.

EXHIBIT C

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
_____ DIVISION

IN RE: _____)
)
) CASE NO. _____
)
DEBTOR. _____)

ORDER DENYING COMPLEX CASE TREATMENT

This bankruptcy case was filed on _____, 20___. A Notice of Designation as Complex Chapter 11 Case (see General Order 2004-03) was filed. After review of the initial pleadings filed in this case, the court concludes that the case does not appear to qualify as a complex Chapter 11 case. Therefore, the case will proceed under the local bankruptcy rules and procedures generally applicable to bankruptcy cases without special scheduling orders. The court may reconsider this determination on motion, after hearing. Based on the foregoing,

IT IS ORDERED that the request for designation as a complex Chapter 11 case is **DENIED**.

The Clerk shall notice:

Debtor

Debtor's Counsel

U.S. Trustee

EXHIBIT D

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS

_____ DIVISION

IN RE:)
)
) CASE NO.
)
DEBTOR.)

**ORDER GRANTING COMPLEX CHAPTER 11 BANKRUPTCY
CASE TREATMENT**

This bankruptcy case was filed on _____, 20__. A Notice of Designation as Complex Chapter 11 Case (see General Order 2004-03) was filed. After review of the initial pleadings filed in this case, the court concludes that this case appears to be a complex Chapter 11 case. Accordingly, unless the court orders otherwise,

IT IS ORDERED:

1. The debtor shall maintain a service list identifying the parties that must be served whenever a motion or other pleading requires notice. Unless otherwise required by the Bankruptcy Code or Rules, notices of motions and other matters will be limited to the parties on the service list.
 - a. The service list shall initially include the debtor, debtor's counsel, counsel for the unsecured creditors' committee, the U.S. Trustee, all secured creditors, the 20 largest unsecured creditors of each debtor, any indenture trustee, and any party that requests notice.
 - b. Any party in interest that wishes to receive notice, other than as listed on the service list, shall be added to the service list by filing and serving the debtor and debtor's counsel with a notice of appearance and request for service.
 - c. Parties on the service list are required to provide an e-mail address and a fax number for service of pleadings and notices. A party who has registered with the court for use of the court's electronic filing system has consented to service by e-mail to the extent provided in the Revised Administrative Procedures for Electronic Case Filing adopted by General Order 2003-01.2. A party who has not registered for use of the court's electronic filing system may consent to fax or e-mail service in the party's notice of appearance and request for service. Notwithstanding consent to e-mail service, a "hard copy" shall be served by fax or by regular mail only if required by the Revised Administrative Procedures for Electronic Case Filing.

- d. The initial service list shall be filed within 3 days after entry of this order. A revised list shall be filed 7 days after the initial service list is filed. The debtor shall update the service list, and shall file a copy of the updated service list, (i) at least every 7 days during the first 30 days of the case; (ii) at least every 15 days during the next 60 days of the case; and (iii) at least every 30 days thereafter throughout the case.
- 2. The court sets _____ of each week at _____ .m. as the pre-set hearing day and time for hearing all motions and other matters in these cases. (There may be exceptions; those exceptions will be noted on the court's internet schedule, available at www.txnb.uscourts.gov.)

- a. All motions and other matters requiring hearing, but not requiring expedited or emergency hearing, shall be noticed for hearing, on the next pre-set hearing day that is at least 23 days after the notice is mailed. Parties may use the court's self-calendar procedure at www.txnb.uscourts.gov.

The court will hear matters on any pre-set hearing date as time permits. Parties must establish the recommended priority for hearing matters on any pre-set hearing date using the agenda format provided by Exhibit F to Procedures for Complex Chapter 11 Cases. The court will ultimately determine the manner of proceeding on any pre-set hearing date, and may continue hearings to subsequent pre-set hearing dates.

As a preface to each pleading, just below the case caption, in lieu of the language required by Local Bankruptcy Rule 9007.1, and notwithstanding Local Bankruptcy Rule 9014.1, the pleading shall state:

A HEARING WILL BE CONDUCTED ON THIS MATTER ON _____ AT _____ .M. IN COURTROOM _____, _____, TEXAS. IF YOU OBJECT TO THE RELIEF REQUESTED, YOU MUST RESPOND IN WRITING, SPECIFICALLY ANSWERING EACH PARAGRAPH OF THIS PLEADING. UNLESS OTHERWISE DIRECTED BY THE COURT, YOU MUST FILE YOUR RESPONSE WITH THE CLERK OF THE BANKRUPTCY COURT WITHIN TWENTY DAYS FROM THE DATE YOU WERE SERVED WITH THIS PLEADING. YOU MUST SERVE A COPY OF YOUR RESPONSE ON THE PERSON WHO SENT YOU THE NOTICE; OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

- b. All motions and other matters requiring expedited or emergency hearing shall comply with the usual court requirements for explanation and verification of the emergency. Specifically, if a party in interest has an emergency or other situation that it believes requires consideration on less than 23-days' notice, the party should file and serve a separate, written motion for expedited hearing, in respect of the underlying motion, and may present the motion for an expedited hearing either (a) ex parte at a regular docket call of the presiding judge, or (b) at the next available pre-set hearing day. The court will rule on the motion for expedited hearing within 24 hours of the time it is presented.

Exhibits

If the court grants the motion for expedited hearing, the underlying motion will be set by the courtroom deputy at the next available pre-set hearing day or at some other appropriate shortened date approved by the court. The party requesting the hearing shall be responsible for providing proper notice in accordance with this order and the Bankruptcy Code and Rules.

3. Emergency and expedited hearings (and other hearings in limited circumstances) in this case may be conducted by telephone conference. Parties must request permission to participate by telephone by contacting the courtroom deputy by e-mail.
4. If a matter is properly noticed for hearing and the parties reach a settlement of the dispute prior to the final hearing, the parties may announce the settlement at the scheduled hearing. If the court determines that the notice of the dispute and the hearing is adequate notice of the effects of the settlement (i.e., that the terms of the settlement are not materially different from what parties in interest could have expected if the dispute were fully litigated), the court may approve the settlement at the hearing without further notice of the terms of the settlement.
5. The debtor shall give notice of this order to all parties in interest within 7 days. If any party in interest, at any time, objects to the provisions of this order, that party shall file a motion articulating the objection and the relief requested. After hearing the objection and any responses the court may reconsider any part of this order and may grant relief, if appropriate.

The Clerk shall notice:

Debtor

Debtor's Counsel

U.S. Trustee

EXHIBIT E

IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS

Procedures for Obtaining Hearings in Complex Chapter 11 Cases

I. Hearing on First Day Matters: Official Form for Request for Expedited Consideration of Certain First Day Matters.

Upon the filing of a complex Chapter 11 case, if the debtor has matters that require expedited consideration (“first day” or “near first day” relief), the debtor should file a “Request for Expedited Consideration of Certain ‘First Day’ Matters” using the form of Exhibit B to the Procedures for Complex Chapter 11 Cases (“First Day Hearing Request”), and inform the courtroom deputy of the request by e-mail. The first day hearing request will be presented by the courtroom deputy to the judge who has been assigned the complex Chapter 11 case (or if there are multiple, related debtor cases, to the judge assigned to the first-filed case) as soon as possible. The court will hold a hearing within 2 business days of the time requested by the debtor’s counsel and the courtroom deputy will notify counsel for the debtor of the time of the setting. If the judge assigned to the complex Chapter 11 case is not available to hold the hearing within 2 business days of the time requested by the debtor’s counsel, an available judge will hold a hearing within 2 business days of the time requested by the debtor’s counsel and the courtroom deputy will notify counsel for the debtor of the time of the setting. The debtor’s counsel should (1) serve electronically or, for parties not receiving electronic notification, by fax (or by immediate hand-delivery) a copy of the first day hearing request on all affected parties, including the U.S. Trustee, simultaneously with its filing; and (2) notify electronically, or, for parties not receiving electronic notification, by fax (or by immediate hand-delivery) all affected parties of the hearing time on first day matters as soon as possible after debtor’s counsel has received confirmation from the court. The court will allow parties in interest to participate telephonically at the hearing on first day matters whenever (and to the extent) practicable, and debtor’s counsel will be responsible for the coordination of the telephonic participation.

II. Pre-Set Hearing Dates.

The debtor may request (as one of its first day matters or otherwise) that the court establish in a complex Chapter 11 case a weekly/bi-monthly/monthly setting time (“Pre-Set Hearing Dates”) for hearings in the complex Chapter 11 case (e.g., every Wednesday at 1:30 p.m.). The court will accommodate this request for pre-set hearing dates in a complex Chapter 11 case if it appears justified. After pre-set hearing dates are established, all matters in the complex Chapter 11 case (whether initiated by a motion of the debtor or by another party in interest) may be set by using the court’s self-calendar process on the first pre-set hearing date

that is at least 23 days after the filing/service of a particular motion (unless otherwise requested by a party or ordered by the court) and the movant shall indicate the hearing date and time on the face of the pleading.

III. Case Emergencies (Other than the First-Day Matters).

If a party in interest has an emergency or other situation that it believes requires consideration on less than 23-days' notice, the party should file and serve a separate, written motion for expedited hearing, in respect of the underlying motion, and inform the courtroom deputy of the request by e-mail. The court may direct that the motion for expedited hearing be presented at a regular docket call of the presiding judge, or at the next available pre-set hearing date. If the court grants the motion for expedited hearing, the underlying motion will be set by the courtroom deputy at the next available pre-set hearing date or at some other appropriate shortened date approved by the court. Motions for expedited hearings will only be granted under emergency or exigent circumstances.

EXHIBIT F

IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS

AGENDA GUIDELINES FOR HEARINGS IN COMPLEX CHAPTER 11 CASES

In complex Chapter 11 cases, counsel for the debtor-in-possession shall file and serve an agenda describing the nature of the items set for hearing. Counsel for the debtor in possession shall also post the agenda on the court's website following instructions that will be provided by the court at the commencement of the case.

1. Timing of Filing

Counsel shall file the agenda at least 24 hours prior to the date and time of the hearing. At the same time, counsel shall also serve a copy of the agenda on all attorneys who have filed papers with respect to the matters scheduled and the service list.

2. Sequence of Items on Agenda

Uncontested matters should be listed ahead of contested matters. Contested matters should be listed in the order in which they appear on the court's docket. When matters have been noticed for hearing by parties in interest other than the debtor-in-possession, counsel for the debtor-in-possession shall consult with counsel for the moving parties to determine the recommended priority for hearing contested matters. Any disagreement on the recommended priority shall be noted on the agenda. The court will determine the order of proceeding.

3. Status Information

For each motion filed in the complex Chapter 11 case, each motion filed in an adversary proceeding concerning the Chapter 11 case, each objection to claim, or application concerning the case, the agenda shall indicate the moving party, the nature of the motion, the docket number of the pleading, if known, the response deadline, and the status of the matter. The status description should indicate whether the motion is settled, going forward, whether a continuance is requested (and any opposition to the continuance, if known) and any other pertinent information.

4. Information for Motions in the Case

For each motion that is going forward, or where a continuance request is not consensual, the agenda shall also list all pleadings in support of the motion, and any objections or responses. Each pleading listed shall identify the entity that filed the pleading, and the docket number of the pleading, if known. If any entity has not filed a responsive pleading, but has engaged in written or oral communica-

tions with the debtor, that fact should be indicated on the agenda, as well as the status or outcome of those communications.

For an omnibus objection to claims, responses to the objection which have been continued by consent may be listed collectively (e.g., “the following responses have been continued by consent:”).

5. Changes in Agenda Information

After the filing of the agenda, counsel shall file and post on the court’s website any revised agenda.

6. Other Information

The requirements listed above should not be construed to prohibit other information of a procedural nature that counsel thinks would be helpful to the court.

EXHIBIT G

IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS

Guidelines for Mailing Matrices and Shortened Service Lists in Complex Chapter 11 Cases

I. Mailing List or Matrix (a/k/a the Rule 2002 Notice List)

A. Helpful Hints Regarding Whom to Include on the Mailing Matrix in a Complex Chapter 11 Case.

There are certain events and deadlines that occur in a Chapter 11 case which Bankruptcy Rule 2002 requires be broadly noticed to all creditors, indenture trustees, equity interest holders, and other parties in interest (“Rule 2002 notice list”). To facilitate this, L.B.R. 1007.2 requires a debtor to file a mailing list or matrix at the commencement of any case. This list must include all creditors, equity interest holders, and certain other parties in interest (who might be impacted by any relief granted in the bankruptcy case), in order to ensure that parties receive reasonable and adequate notice and are ensured due process. When preparing the mailing matrix and after consultation with the clerk of court, debtor’s counsel shall evaluate and consider whether the following people are required to be included:

1. creditors (whether a creditor’s claim is disputed, undisputed, contingent, non-contingent, liquidated, unliquidated, matured, unmatured, fixed, legal, equitable, secured or unsecured);
2. indenture trustees;
3. financial institutions at which the debtor has maintained accounts (regardless of whether such institutions are creditors);
4. vendors with whom the debtor has dealt, even if the debtor’s records currently indicate no amount is owed;
5. parties to contracts, executory contracts or leases with the debtor;
6. all federal, state, or local taxing authorities with which the debtor deals, including taxing authorities in every county in which the debtor owns real or personal property with regard to which ad valorem taxes might be owed;
7. all governmental entities with which the debtor might interact (including, but not limited to, the U.S. Trustee and the SEC);
8. any party who might allege a lien on property of the debtor;
9. parties to litigation involving the debtor;
10. parties with which the debtor might be engaged in some sort of dispute, whether or not a claim has formally been made against the debtor;

11. tort claimants or accident victims;
12. insurance companies with whom the debtor deals or has policies;
13. active and retired employees of the debtor;
14. officers or directors of the debtor;
15. customers who are owed deposits, refunds, or store credit;
16. utilities;
17. shareholders (preferred and common), holders of options, warrants or other rights or equitable interests in the debtor;
18. miscellaneous others who, in debtor's counsel's judgment, might be entitled to "party in interest" status or who have requested notice.

B. Flexible ("User-Friendly") Format Rules for Mailing Matrix in a Complex Chapter 11 Case in Which Debtor's Counsel Serves Notices.

In a complex Chapter 11 case, where the mailing matrix is likely to be very lengthy, the following special format rules will apply, in lieu of L.B.R. 1007.2, whenever it is the debtor's responsibility to serve notices in the case. The debtor (since it will typically be the party serving all notices in the Chapter 11 case rather than the clerk of court) may create the mailing matrix in whatever format it finds convenient so long as it is neatly typed in upper and lower case letter-quality characters (in no smaller than 10 point and no greater than 14 point type, in either Courier, Times Roman, Helvetica or Orator font). The mailing matrix, if lengthy, should ideally include separate subheadings throughout, to help identify categories of parties in interest. By way of example, the following subheadings (among others) might be used:

Debtor and its Professionals
Secured Creditors
Indenture Trustees
Unsecured Creditors
Governmental Entities
Current and Retired Employees
Officers and Directors
Tort Claimants
Parties to Executory Contracts
Equity Interest Holders
Etc.

Parties in interest within each category/subheading should be listed alphabetically. Also, the mailing matrix may be filed in separate volumes, for the separate categories of parties in interest, if the mailing matrix is voluminous (e.g., Volume 2: Unsecured Creditors). Finally, if there are multiple, related debtors and the debtors intend to promptly move for joint administration of

their cases, the debtors may file a consolidated mailing matrix, subject to later being required to file separate mailing matrices if joint administration is not permitted.

C. When Inclusion of Certain Parties in Interest on a Mailing Matrix Is Burdensome.

If inclusion of certain categories of parties in interest on the mailing matrix would be extremely impracticable, burdensome and costly to the estate, the debtor may file a motion, pursuant to B.R. 2002(1), requesting authority to provide notice by publication in lieu of mailing certain notices to certain categories of parties in interest and may forego including those categories of parties in interest on the mailing matrix if the court grants the motion.

II. Shortened Service List Procedure in a Complex Chapter 11 Case.

A. Procedures/Contents/Presumptions.

If the court has entered an order granting complex Chapter 11 case treatment, the debtor shall provide service as required by ¶ 1 of that order. If the court has not entered such an order, the debtor may move to limit notice – that is, for approval of a shortened service list – that will be acceptable for noticing most events in the bankruptcy case, other than those events/deadlines that B.R. 2002 contemplates be served on all creditors and equity interest holders. At a minimum, the shortened list should include the debtor and its professionals, the secured creditors, the 20 largest unsecured creditors, any official committees and the professionals for same, the U.S. Trustee, the IRS and other relevant governmental entities, and all parties who have requested notice. Upon the court’s approval of a shortened service list in a complex Chapter 11 case, notice in any particular situation during a case shall be presumed adequate if there has been service on (1) the most current service list on file in the case; plus (2) any other party directly affected by the relief requested and not otherwise included on the service list.

B. Obligation to Update, File, and Serve Service List.

The debtor must update the service list as parties request to be added to it or as circumstances otherwise require. To be added to the list, a party should file a notice of appearance and request for service and serve the notice on debtor’s counsel. Parties should include an e-mail address and fax number. Additionally, the debtor should file an updated service list and should serve a clean and redlined copy of the updated service list on all parties on the service list weekly for the first month after filing, then bi-monthly for the next 60 days, then monthly thereafter during the pendency of the case. If, in a particular month, there are no changes to the service list, the debtor should simply file a notice with the court so stating.

Exhibit I-8. Sample Guidelines for Case-Management Order for Complex Chapter 11 Case (United States Bankruptcy Court for the District of New Jersey)

EXHIBIT F

**GUIDELINES ESTABLISHING
CASE-MANAGEMENT AND ADMINISTRATIVE PROCEDURES
FOR CASES DESIGNATED AS COMPLEX CHAPTER 11 CASES**

After review of the initial pleadings filed in a case designated and approved as “complex” and the Court conducting its initial status conference at the hearing on First Day Matters, and for which the court concludes that the case is appropriate for the entry of a case management and administrative procedures order, the following guidelines as they relate to case management and administrative procedures may be requested by Debtor’s counsel upon the submission of an “Order Establishing Case-Management and Administrative Procedures for Cases Designated as Complex Chapter 11 Cases.”

A. OMNIBUS HEARING DATES

1. The Court may conduct omnibus hearings on a weekly/bi-monthly/monthly basis as dictated by the circumstances of the case (the “Omnibus Hearing Dates”).
2. Omnibus Hearing Dates will occur thereafter as may be scheduled by the Court. To the extent possible, all matters requiring a hearing in this case shall be set for and be heard on Omnibus Hearing Dates unless alternative hearing dates are approved by the Court for good cause shown.

B. EXPEDITED HEARINGS

3. If a party in interest has an emergency or other situation that it believes requires consideration on less than the 20-days’ notice as required by D.N.J. LBR 9013-1(c), the moving party should file and serve a separate written application requesting shortened time and expedited hearing in respect of the underlying motion in the form provided at D.N.J. LBR 9013-1(e).
4. The Court will rule on the request for shortened time within twenty-four (24) hours of the time it is presented. If the court grants the motion for expedited hearing, the underlying motion will be set at the next available omnibus hearing date or at some other appropriate shortened date approved by the Court.
5. Requests for expedited hearings will only be granted under emergency or exigent circumstances.
6. This section does not apply to matters filed under an Application for Expedited Consideration of First Day Matters and all parties are directed to consult the General Order Adopting Guidelines Governing First Day Matters.

C. COMPLIANCE WITH TERMS OF ORDER ESTABLISHING CASE-MANAGEMENT AND ADMINISTRATIVE PROCEDURES

7. If any person makes any filing in contravention of the omnibus dates process established pursuant to a particular chapter 11 case Order Establishing Case-Management and Administrative Procedures entered by the Court by, among other things, setting a hearing on such filing for a date and time other than an omnibus hearing date without an order from this Court authorizing such hearing for cause, the Debtor's counsel shall forward a copy of the Order Establishing Case-Management and Administrative Procedures to such person within three (3) business days of the receipt of such filing. If such filing is filed at least twenty (20) days from the next Omnibus Hearing Date, then the hearing with respect to such filing shall be deemed to be on such omnibus hearing date. If such filing is less than twenty (20) days prior to the next omnibus hearing date then the hearing with respect to such filing shall be the next omnibus hearing date thereafter. The movant must provide notice of the corrected hearing date to all affected parties and thereafter file a certificate of service regarding the notice.

D. NOTICING PROCEDURES

8. All filings in this case, unless otherwise ordered by the Court, shall be served upon the following entities constituting the "Core Service List":
 - (a) The Debtor(s);
 - (b) The Debtor's counsel;
 - (c) The Newark office of the United States Trustee for Region III;
 - (d) The chairperson of any official committees established pursuant to section 1102 of the Bankruptcy Code;
 - (e) Counsel retained by any official committees established pursuant to section 1102 of the Bankruptcy Code, or the twenty (20) largest creditors if an official committee has not been appointed;
 - (f) Counsel to secured creditors; and
 - (g) Any other person/entity as authorized by the Court.
9. Debtor's counsel or counsel to the trustee, if one is appointed, must maintain and update the Core Service List at least every fifteen (15) days during the first sixty (60) days of the case and at least every thirty (30) days thereafter. Further, Debtor's counsel must file a Core Service List with the Court every time it is updated.
10. Debtor's counsel or counsel to the trustee shall also maintain and update a master service list (the "Master Service List") which shall be comprised of the Core Service List and the parties that have filed a notice of appearance and request for notices in the Debtor's case. Service on the persons/entities listed on the Master Service List shall be made only with respect to those matters enumerated in the Order Establishing Case-Management and Administrative Procedures. Debtor's counsel must update the Master Service List at least every fifteen (15) days dur-

ing the first sixty (60) days of the case and at least every thirty (30) days thereafter. Further, Debtor's counsel must file the Master Service List with the Court each time it is updated.

11. The certificate of service for each filing must be filed with the Court together with the complete service list that was utilized and served for a particular filing but said certificate of service is not to be served via hard copy on the recipients of the filing.
12. Whether filed conventionally or electronically, summons and complaints or the initiating motion in a contested matter shall be served in hard copy format pursuant to Fed. R. Bankr. P. 7004, upon all parties having a particularized interest in the subject of the filings or motions and parties listed on the Core Service List.
13. All notices required by subdivisions (a)(2), (3) and (6) of Fed. R. Bankr. P. 2002 and by Fed. R. Bankr. P. 4001 shall be served upon:
 - (a) Each entity designated on the Core Service List; and
 - (b) When the notice is of a proposed use, sale, lease or abandonment of property or of a hearing thereon, each entity designated on the most recent Master Service List and each entity having an interest in the property; and
 - (c) When the notice relates to relief from the stay in order to take action against property of the Debtor's Estate, each entity having a lien, encumbrance or interest in the subject property; and
 - (d) When the notice relates to use of cash collateral or obtaining credit, each entity who has an interest in the cash collateral or each entity who has a lien or other interest in property on which a lien is proposed to be granted; and
 - (e) When the notice is of a proposed compromise or settlement or of a hearing thereon, each entity designated on the most recent Master Service List and each entity who is a party to the compromise or settlement; and
 - (f) When the notice is of an application for compensation or reimbursement of expenses or of a hearing thereon, each entity designated on the most recent Master Service List and each professional person who is seeking compensation or reimbursement whose retention in these cases is authorized by the Court.

E. NEGATIVE NOTICING PROCEDURES

14. Subject to the Court's discretion, the Court may approve notice procedures which provide that if no objections are timely filed and served by a deadline set in accordance with the Federal Rules of Bankruptcy Procedure and/or the Order Establishing Case-Management and Administrative Procedures and/or the District of New Jersey Local Bankruptcy Rules, the Court may enter an order granting the relief requested without further notice or a hearing ("Negative Notice"). The notice of motion accompanying such motion must specifically advise parties of the objection deadline, and must also inform the recipient that if no objections are filed and served, the Court may enter an order granting the motion without further notice or hearing.

15. “Negative Notice” may be used in connection with motions including, but not limited to, matters requesting the following relief:
 - (a) Rejection of a non-residential real property lease or executory contract pursuant to 11 U.S.C. § 365;
 - (b) Retention and employment of professional pursuant to 11 U.S.C. §§ 327, 328 and 330 and 28 U.S.C. § 156(o);
 - (c) Extension of deadline to seek removal action pursuant to Federal Rule of Bankruptcy Procedure 9027;
 - (d) Sales of assets outside the ordinary course of business pursuant to 11 U.S.C. § 363 with a purchase price set on a case-by-case basis;
 - (e) Approval of settlements and compromises pursuant to Federal Rule of Bankruptcy Procedure 9019 of claims where the settled amount of the claim does not exceed an amount set on a case-by-case basis; and
 - (f) Nothing contained herein shall be construed to limit a party in interest’s ability to request that the court approve the use of Negative Notice procedures in connection with motions not specifically identified above.
16. If an objection is timely filed and served, a hearing will be scheduled for the next omnibus hearing date unless otherwise ordered by the Court.

F. CERTIFICATION OF NO OBJECTION

17. After the objection date has passed with no objection having been filed or served, counsel for the movant may file a Certification of No Objection substantially in the form as it appears on the annexed Schedule “1” stating that no objection has been filed or served on the movant.
18. By filing such certifications, counsel for the movant is representing to the Court that the movant is unaware of any objection to the motion or application and that counsel has reviewed the Court’s docket and no objection appears thereon.
19. Upon receipt of the Certification of No Objection, the Court may enter the Order accompanying the motion or application without further pleading or hearing and, once the Order is entered, the hearing scheduled on the motion or application shall be cancelled without further notice.

G. NOTICE OF AGENDA

20. Subject to the Court’s discretion, in a case that has been designated as complex and if the Court has authorized a Notice of Agenda to be utilized, debtor’s counsel or counsel to the trustee, if one is appointed shall maintain file and serve a Notice of Agenda for each hearing held in the case in conformity with the proposed form annexed hereto as Schedule “2” and the guidelines set forth below (G.21-G.28) unless modified or otherwise directed by the Court to the contrary.

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21. Counsel (as described above in section G.20) shall file a proposed Notice of Agenda before 12:00 noon on the day that is two (2) business days before the date of the omnibus hearing.
22. Resolved or continued matters shall be listed ahead of unresolved matters on the Notice of Agenda. Contested matters shall be listed in the order of docketing with corresponding docket number.
23. All amended Notices of Agenda shall list matters as listed in the original Notice of Agenda with all edits and additional information being listed in boldface type.
24. Copies of the Notice of Agenda shall be served upon local counsel who have entered an appearance in the case, as well as all other counsel with a direct interest in any matter on the Notice of Agenda and the United States Trustee simultaneously with the filing of the Notice of Agenda with the Court.
25. For each motion and/or application the Notice of Agenda shall indicate the movant and/or the applicant, the nature of the motion and the docket number. Supporting papers of the movant/applicant shall be similarly denoted.
26. For each motion/application the Notice of Agenda shall indicate the objection deadline and any objection filed and its docket number, if available.
27. For each motion/application the Notice of Agenda shall indicate whether the matter is going forward, whether a continuance is requested (and any opposition to the continuance if known), whether any or all of the objections have been resolved and any other pertinent status information.
28. When an adversary proceeding is scheduled the Notice of Agenda shall indicate the adversary proceeding number and the corresponding docket number for pleadings filed in the adversary proceeding on the Notice of Agenda, in addition to the information regularly required in a Notice of Agenda.

H. PRO HAC VICE APPLICATIONS

29. Application by non-resident attorneys for permission to practice before the Court in this case, pro hac vice, may not be set for hearing unless the Court requires otherwise. These applications may be GRANTED by the Court unless objections are promptly filed thereto. Pro hac vice applications must be served upon each entity designated on the Core Service List.
30. The Court will require parties to obtain local counsel in accordance with the District of New Jersey Local District Court Rules and Local Bankruptcy Rules.

I. ELECTRONIC FILING PROCEDURES

31. Pursuant to this Court's General Order Authorizing Administrative Procedures for the Electronic Filing, Signing and Verification of Documents, dated March 27, 2002, except with regard to documents which may be filed under seal, unless good cause can be demonstrated and established to the contrary at the return date on the hearing(s) of the First Day Matters, all motions, pleadings, memoranda of

law or other documents to be filed with the Court in a Complex Chapter 11 Case shall be electronically filed on the Court's Electronic Filing System.

32. Notwithstanding the above, the Office of the United States Trustee for Region III–New Jersey Office requires service upon it of the following documents in hard copy format regardless of whether the United States Trustee's Office receives same electronically:
- a. Petition;
 - b. Schedules and Statement of Financial Affairs;
 - c. Chapter 11 Plan and Disclosure Statement;
 - d. Fee Applications;
 - e. All First Day Matters and supporting pleadings and documents thereto; and
 - f. Monthly Operating Reports.

J. MAILING MATRIX

33. A mailing matrix submitted electronically shall be prepared in accordance with D.N.J. LBR 1007-2.

K. OTHER ADMINISTRATIVE ISSUES

34. Any party may at any time apply for reconsideration or modification of the Order Establishing Case-Management and Administrative Procedures. Service of said motion shall be made to all persons/entities on the Master Service List. The court may amend the Order Establishing Case Management and Administrative Procedure from time to time as is necessary.

Exhibit I-9. Sample Case-Management Orders for Complex Chapter 11 Case

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MISSOURI

IN RE

)

)

CASE NO. _____

)

INITIAL ORDER FOR COMPLEX CHAPTER 11 BANKRUPTCY CASE

This bankruptcy case was filed on _____, 200__. A Notice of Designation as Complex Chapter 11 Case (L.R. 1002-2) was filed. After review of the initial pleadings filed in this case, the Court concludes that this appears to be a Complex Chapter 11 Case and issues this scheduling order, subject to rescission, revision, or modification as provided below:

1. Service List and Limitation on Service: Subject to the Local Rules and the requirements of the Electronic Case Filing System, the Debtor shall maintain a service list (“Service List”), identifying the parties that must be served whenever a motion or other pleading requires notice. Upon establishment of such a list, notices of motions and other matters will be limited to the parties on the Service List.

The Service List shall initially include the Debtor, Debtor’s counsel, counsel for the Official Unsecured Creditors’ Committee, U.S. Trustee, Internal Revenue Service, SEC (if publicly traded), all secured creditors, 20 largest unsecured creditors [of each Debtor], any indenture trustee, and any party that requests notice;

Any party in interest that wishes to receive notice, other than as listed on the Service List, shall be added to the Service List merely by filing an entry of appearance;

Parties on the Service List are required to give a fax number and e-mail address for service of process;

The initial Service List shall be filed within three (3) days after entry of this order. A revised list shall be filed after fifteen (15) days after the Initial Service List is filed. Debtors shall update the Service List, and shall file the updated Service List, at least every 30 days thereafter.

2. Hearing Days: The Court hereby establishes _____ of each month at _____.m. as the scheduled hearing day (“Hearing Day”) and time for hearing all motions and other matters in these cases. (There may be exceptions.)

3. Setting Hearings and Giving Notice of a Motion Requiring Emergency for Expedited Relief: If a motion requires emergency or expedited relief, a separate motion for emergency or expedited relief should be filed, stating with specificity the reason why an emergency exists or why there is a need for expedited treatment. If the court grants such emergency treatment, the Court will direct the requisite notice and will set a hearing date and time.

4. Proposed Hearing Agenda: At least two (2) business days prior to each Hearing Day, Debtor's counsel shall file and serve on the Master Service List a Proposed Hearing Agenda.

The Proposed Hearing Agenda is merely a proposal for the convenience of the Court and counsel. It is NOT determinative of the matters to be heard on that day and is not determinative of whether there will be a settlement or continuance.

The Proposed Hearing Agenda is expected to include:

1. The docket number and title of each matter to be scheduled for hearing on the next Hearing Day;
2. Whether the Matter is contested or uncontested;
3. Other comments that will assist the Court in organizing its docket for the day (for example, if a request for continuance or withdrawal of the matter is expected); and
4. A suggestion for the order in which the matters should be addressed.

On the Hearing Day, the Court may, or may not, accept the hearing agenda proposed by the Debtor.

5. Participation in Some Hearings by Telephone: Emergency and expedited hearings (and other hearings in limited circumstances) in this case may be conducted by telephone conference. Parties must obtain permission to participate by telephone from the Judge's courtroom deputy.

6. Settlement: If a matter is properly noticed for hearing and the parties reach agreement on a settlement of the dispute prior to the final hearing, the parties may announce the settlement at the scheduled hearing. If the Court determines that the notice of the dispute and the hearing is adequate notice of the effects of the settlement (i.e., that the terms of the settlement are not materially different from what parties in interest could have expected if the dispute were fully litigated), the Court may approve the settlement at the hearing without further notice of the terms of the settlement.

7. Case Captions: Complex cases usually involve hundreds of motions. To facilitate motion tracking by the Clerk of the Court, each answer, reply, objection and order filed or provided by a party in this case should contain, in its title or first paragraph, a reference to the docket number of the pleading to which it responds. EXAMPLE:

Response by XYZ Bank to Debtor's Motion for Use of Cash Collateral.

[This pleading responds to Docket # _____]

8. Notice and Objections to this Order: This order shall be served by Debtor on all parties in interest within seven (7) days. If any party in interest, at any time, objects to the provisions of this order, that party shall file a motion articulating the objection and the relief requested. The motion shall comply with the provisions of this order. After hearing the Motion and any responses, the Court may grant appropriate

Exhibits

relief, if any is required. The Court may also, *sua sponte*, revise, modify or rescind this order.

SIGNED _____, 20____.

UNITED STATES BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re: :
 : Chapter 11
DELTA AIR LINES, INC., et al., :
 : Case No. _____
 : (Jointly Administered)
Debtor(s). :
 :
-----X

**ORDER APPROVING NOTICE,
CASE MANAGEMENT AND ADMINISTRATIVE PROCEDURES**

Upon the motion dated September 14, 2005 (the “Case Management Motion”)¹ of Delta Air Lines Inc., and those of its subsidiaries that are debtors and debtors in possession in these proceedings (collectively, the “Debtors”),² for authorization pursuant to section 105(a) of chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) and rule 1015(c) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) to establish certain notice, case management and administrative procedures (the “Procedures”), as more fully described in the Case Management Motion; and upon consideration of the Declaration of [name] Pursuant to Rule 1007-2 of the Local Bankruptcy Rules for the Southern District of New York (the “Local Rules”) in Support of First-Day Motions and Applications, dated as of the Petition Date; and the Court having jurisdiction to consider the Case Management Motion and the relief requested therein pursuant to 28 U.S.C. § 1334 and the Standing Order of Referral of Cases to Bankruptcy Court Judges of the District Court for the Southern District of New York, dated July 10, 1984 (Ward, Acting C.J.); and consideration of the Case Management Motion and the requested relief being a core proceeding the Bankruptcy Court can determine pursuant to 28 U.S.C. § 157(b)(2); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Case Management Motion having been provided to the Office of the United States Trustee for the Southern District of New York, those creditors holding the five largest secured claims against the Debtors’ estates, those creditors holding the thirty largest unsecured claims against the Debtors’ estates and the attorneys for (i) the of-

1. Unless otherwise defined herein, each capitalized term shall have the meaning ascribed to it in the Case Management Motion.

2. The Debtors are the following entities: ASA Holdings, Inc.; Comair Holdings, LLC; Comair, Inc.; Comair Services, Inc.; Crown Rooms, Inc.; DAL Aircraft Trading, Inc.; DAL Global Services, LLC; DAL, Moscow, Inc.; Delta AirElite Business Jets, Inc.; Delta Air Lines, Inc.; Delta Benefits Management, Inc.; Delta Connection Academy, Inc.; Delta Corporate Identity, Inc.; Delta Loyalty Management Services, LLC; Delta Technology, LLC; Delta Ventures III, LLC; Epsilon Trading, Inc.; Kappa Capital Management, Inc.; and Song, LLC.

ficial committee of unsecured creditors appointed in these chapter 11 cases, (ii) the agent for the Debtors' post petition lenders and (iii) American Express Travel Related Services Company, Inc., and it appearing that no other or further notice need be provided, and the relief requested in the Case Management Motion being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Case Management Motion and having held a hearing with appearances of parties in interest noted in the transcript thereof (the "Hearing"), and certain changes to the form of Order having been made at the request of the court clerk, the court and others; and the Court having determined that the legal and factual bases set forth in the Case Management Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the relief requested in the Case Management Motion is hereby granted as modified by this Order; and it is further

ORDERED that the Debtors shall make this Order available on the Case Information Website (as defined below) and, within three (3) business days after its entry, serve it by U.S. Mail, hand delivery, facsimile or email on the Core Parties (as defined below) and all parties that, prior to the date of the entry of this Order, have requested notice pursuant to Bankruptcy Rule 2002; and it is further

ORDERED that the Procedures set forth herein are approved and shall govern all aspects of these chapter 11 cases, except as otherwise ordered by the Court; and it is further

ORDERED that, to the extent the Procedures conflict with the Bankruptcy Rules or the Local Rules, the Procedures govern and supersede such rules and shall apply to these chapter 11 cases; and it is further

ORDERED that all motions, applications and other matters requiring notice and/or a hearing (collectively, the "Motions"), all objections and responses to the Motions (the "Objections"), all replies to Objections (the "Replies") and all other documents required to be filed with the Court (together with the Motions, Objections and Replies, the "Court Papers") shall be filed electronically with the Court in accordance with General Order M-242, as amended by General Order M-269 (available at the Court's website, www.nysb.uscourts.gov (the "Court's Website")), by registered users of the Court's Electronic Case Files system (the "ECF System") (a PACER login and password are needed to file documents on the ECF System and can be obtained at <http://pacer.psc.uscourts.gov>) and, by all other parties in interest, on a 3.5 inch disk or a CD-ROM, preferably in Portable Document Format ("PDF"), Word-Perfect or any other Windows-based word processing format; and it is further

ORDERED that all court Papers shall be served, in the manner described herein, on (i) the chambers of the undersigned Judge, (ii) attorneys for the Debtors, [attorney names, addresses], (iii) conflicts counsel to the Debtors, [attorney names, addresses], (iv) aircraft counsel to the Debtors, [attorney names, addresses], (v) the Office of the United States Trustee for the Southern District of New York, [address, name], (vi) the attorneys for the official committee of unsecured creditors, [attorney names, addresses], (vii) the attorneys for any other official committee(s) appointed in these chapter 11 cases, (viii) the Securities and Exchange Commission, 100 F Street, NE,

Washington, DC 20549, Attn: [name], (ix) the Internal Revenue Service, 290 Broadway, New York, NY 10008, Attn: [agent name], (x) any additional government agencies to the extent required by the Bankruptcy Rules and the Local Rules and (xi) Bankruptcy Services LLC, 757 Third Avenue, New York, NY 10017, Attn: [name] (the Debtors' court authorized claims and noticing agent, the operator of the website www.deltadocket.com, created in connection with these cases, and the copy service used by the Debtors, the "Claims Agent"—collectively, the "Core Parties"); and it is further

ORDERED that all other persons or entities with a particularized interest in the relevant Court Papers (the "Particularized Interest Parties") shall be served as set forth herein; and it is further

ORDERED that the top thirty creditors will no longer be served (except to the extent that a creditor is a Particularized Interest Party of a Non-ECF Service Party (as defined below)); and it is further

ORDERED that, except with respect to (i) Core Parties, (ii) Particularized Interest Parties and (iii) Non-ECF Service Parties, all parties in interest (whether or not they have filed or file after the date hereof a Notice of Appearance or request for service of papers under Bankruptcy Rule 2002) shall be deemed to be receiving electronic notice through the ECF System of all Court Papers filed on the court's docket and therefore, in accordance with General Order M-242, need not be separately served with such court Papers; and it is further

ORDERED that electronic notice through the ECF system shall be deemed effective as of the date the relevant Court Papers are posted on the Court's electronic docket on the ECF system; and it is further

ORDERED that any party in interest that does not have and cannot practicably obtain access to the Court's ECF system shall file with the Court and deliver to counsel for the Debtors a certification of that fact and a request to be exempted from electronic service through the ECF system (an "ECF Service Exemption Request") in order to deliver it to counsel for the Debtors, such request may be sent by facsimile or sent by U.S. mail, overnight delivery or hand delivery, to [attorney name, address]; and it is further

ORDERED that an ECF Service Exemption Request shall include the following information: (i) the party's name and address, (ii) the name of the client (unless the party is appearing solely on its own behalf), (iii) an e-mail address at which the requesting party can be served, (iv) an address at which the requesting party may be served by U.S. mail, hand delivery and overnight delivery and (v) a facsimile number for the requesting party. Notwithstanding Bankruptcy Rules 2002 and 9010(b), no ECF Service Exemption Request filed in the chapter 11 cases shall have any effect unless all of the foregoing requirements are satisfied; and it is further

ORDERED that any individual or entity filing an ECF Service Exemption Request who does not maintain and cannot practicably obtain an e-mail address must include in its ECF Service Exemption Request a certification stating the same. Notice will be provided to that individual or entity by U.S. mail, overnight delivery, hand delivery or facsimile, in the sole discretion of the serving party; and it is further

ORDERED that any individual or entity who files an ECF Service Exemption Request but prefers not to include its e-mail address in such individual or entity's publicly filed ECF Service Exemption Request shall: (i) include in such ECF Service Exemption Request an explanation setting forth the reason(s) for not including an e-mail address and contemporaneously (ii) send a notice providing such individual or entity's e-mail address to attorneys for the Debtors, [attorney names, addresses]; and it is further

ORDERED that in addition to the Core Parties and the Particularized Interest Parties, Court Papers must be served on all persons and entities that have submitted ECF Service Exemption Requests as set forth herein (the "Non-ECF Service Parties"); and it is further

ORDERED that papers filed in adversary proceedings (including objections and replies thereto) do not need to be served on the Non-ECF Service Parties; and it is further

ORDERED that the Debtors shall maintain a service list, which shall include only the Core Parties and the Non-ECF Service Parties (the "Non-ECF Service List"); and it is further

ORDERED that the Non-ECF Service List shall not include e-mail addresses, but may include addresses and facsimile numbers; and it is further

ORDERED that the Debtors shall use reasonable efforts to update the Non-ECF Service List as often as practicable, but in no event less frequently than every thirty (30) days; and it is further

ORDERED that the Non-ECF Service List shall be posted on the Case Information Website and filed with the Court no less frequently than every thirty (30) days commencing as of the date that is ten (10) days after the date of this Order, provided that there has been a change to the Non-ECF Service List; and it is further

ORDERED that Core Parties (and no other party) shall be authorized to serve all Court Papers by e-mail on the Non-ECF Service Parties and any relevant Particularized Interest Parties in accordance with the procedures set forth below, and shall serve other Core Parties by U.S. mail, overnight delivery, hand delivery or facsimile (at the sole discretion of the serving party) or, if so elected by the Core Party to be served, by e-mail. All other parties shall serve Court Papers in accordance with this Order, the Bankruptcy Code, the Bankruptcy Rules and the Local Rules; and it is further

ORDERED that all Court Papers served by a Core Party by e-mail shall include access to an attached file or files containing the entire Court Paper, including the proposed form(s) of order and any exhibits, attachments and other relevant materials, in PDF, readable by Adobe Acrobat or an equivalent program. Notwithstanding the foregoing, if a Court Paper cannot be annexed to an e-mail (because of size, technical difficulties or otherwise), the serving party may, in its sole discretion (i) serve the entire Court Paper by U.S. Mail, hand delivery, overnight delivery or facsimile, including the proposed form(s) of order and any exhibits, attachments and other relevant materials, or (ii) e-mail a notice stating that the Court Paper cannot be attached and is available on the Court's Website (and, if the Court Paper is being served by

the Debtors, on the Case Information Website) and will be mailed only if requested by the party receiving the notice; and it is further

ORDERED that service by e-mail shall be effective as of the date the Court Paper or a notice stating that the Court Paper cannot be attached and is available on the Court's Website is sent by e-mail to the address provided by a party; and it is further

ORDERED that nothing in these Procedures shall prejudice the right of any party to move the Court to request relief under section 107(b) of the Bankruptcy Code or Bankruptcy Rule 9018 to protect any entity with respect to a trade secret or confidential research, development, or commercial information or to protect a person with respect to scandalous or defamatory matter contained in a Court Paper filed in these cases; and it is further

ORDERED that upon the filing of any Court Paper, the filing party shall, in accordance with Local Rule 9078-1, file with the Court either an affidavit of service or a certification of service (a "Certificate of Service") annexing the list of parties that received notice. The Certificate of Service shall not include e-mail addresses; it shall be sufficient to indicate a party was served by e-mail; and it is further

ORDERED that Certificates of Service shall be filed with the Court and served on all recipients. However, parties shall not be required to include a full service list when serving the Certificate of Service. In lieu of attaching a full service list to the Certificate of service to be served on all recipients, a party filing a Court Paper shall include in their Certificate of Service (a) the list of Particularized Interest Parties served, (b) a statement that their full service list was filed with the Court and that it was the Non-ECF Service List from the Case Information Website or the Court's docket and (c) what date the Non-ECF Service List was downloaded from the Case Information Website or filed on the Court's Docket; and it is further

ORDERED that unless otherwise ordered by the Court, the Procedures shall not supersede the requirements for notice of the proceedings described in Bankruptcy Rules: (i) 2002(a)(7) (time fixed for filing proofs of claims pursuant to Bankruptcy Rule 3003(c)), (ii) 2002(b) (time fixed for filing objections and the hearing to consider approval of a disclosure statement or confirmation of a chapter 11 plan), (iii) 2002(d) (certain notices to equity security holders) and (iv) 2002(f) (certain other notices); and it is further

ORDERED that the Debtors shall be authorized to schedule, in cooperation with the Court, periodic omnibus hearings ("Omnibus Hearings") at which motions, pleadings, applications and other requests for relief shall be heard. The following guidelines shall apply to all Omnibus Hearings:

a. Hearings in connection with claims objections and pretrial conferences and trials related to adversary proceedings may be scheduled for dates other than the Omnibus Hearing dates. However, initial pretrial conferences scheduled in connection with adversary proceedings shall be set on the next available Omnibus Hearing date that is at least forty-five (45) days after the filing of the complaint, except as otherwise ordered by the Court.

b. If a Court Paper filed by a non-Debtor party purports to set a hearing date inconsistent with the Procedures, the hearing shall be scheduled, without the neces-

sity of court order, for the first Omnibus Hearing date after the applicable notice period has expired. If this occurs, the Debtors shall provide the movant with notice of these Procedures within three business days of the Debtors' receipt of the Court Paper that is erroneously filed.

c. If a movant or applicant other than the Debtors determines that a motion or application requires emergency or expedited relief, the movant or applicant shall telephonically contact the Debtors' attorneys requesting that the motion or application be considered on an expedited basis. If the Debtors disagree with the movant's or applicant's determination regarding the emergency or expedited nature of the relief requested, the movant or applicant shall arrange for a chambers conference, telephonic or in person, to be held among the Court, the Debtors' attorneys and the movant or applicant to discuss the disagreement. If the Court agrees with the position of the movant or applicant regarding the necessity for expedited consideration, the Court shall direct the requisite notice and shall set a hearing date and time. On the hearing date, the Court shall first consider the propriety of emergency relief whether adequate notice has been given, and whether there has been adequate opportunity for parties to be heard. If the Debtors seek emergency or expedited relief, such request for emergency or expedited consideration shall be upon prior notice to counsel for the Creditors' Committee and an opportunity for the Creditors' Committee to be heard; and it is further

ORDERED that Motions (other than those as set forth below) shall not be considered by the Court unless filed and served in accordance with these Procedures at least fourteen (14) calendar days before the scheduled hearing date. Notwithstanding the foregoing, if the parties served with a Motion are predominantly parties being served by U.S. mail, a hearing may not be scheduled before seventeen (17) calendar days from the date of service; and it is further

ORDERED that nothing in these Procedures shall prejudice the right of any party to move the Court to request an enlargement or reduction of any time period under Bankruptcy Rules 9006(b) and 9006(c); and it is further

ORDERED that if a Motion requests relief pursuant to Bankruptcy Rules 2002(a)(1), (a)(4)–(8) or (b), the relevant hearing shall be set after the passage of the time period set forth in such rule, *provided, however*, that, consistent with Bankruptcy Rule 9006, if service is by U.S. mail, a hearing shall not be scheduled before twenty-three (23) calendar days from the date of service; and it is further

ORDERED that a Motion may be granted without a hearing, provided that, after the passage of the Objection Deadline, the attorney for the entity who filed the Motion: (i) files a declaration pursuant to 28 U.S.C. § 1746 indicating that no Objection has been filed or served in accordance with these Procedures, (ii) if the entity who filed the Motion is not the Debtor, serves the declaration via facsimile upon the undersigned attorneys for the Debtors at least one (1) business day prior to submission thereof to the Court and (iii) delivers by U.S. mail, or hand or overnight delivery, a package to the Court, with a copy to Debtors' counsel, including (a) the declaration described in subsection (i) above, (b) a disk containing an order granting the relief requested in the applicable Motion, (c) a printed copy of the order and (d) the ECF docket number(s) of the Motion to which the proposed order relates (collectively, the

“Presentment Package”). Upon receipt of the Presentment Package, the Court may grant the relief requested in the Motion without further submission, hearing or request. If the Court does not grant the relief, (i) the Motion will be heard at the next Omnibus Hearing that is at least six (6) calendar days from the date the Presentment Package is received by the Court and (ii) the decision not to grant the relief shall not constitute an extension of the Objection Deadline related thereto, unless otherwise agreed between the objecting party and the party seeking relief; and it is further

ORDERED that, except as set forth below, a “Notice of Motion” shall be affixed to all Motions and shall include the following: (i) the title of the Motion, (ii) the parties upon whom any Objection to the Motion is required to be served, (iii) the date and time of the applicable Objection Deadline, (iv) the date of the Omnibus Hearing at which the Motion shall be considered by the Court and (v) a statement that the relief requested may be granted without a hearing if no Objection is timely filed and served in accordance with these Procedures. The applicable Objection Deadline and hearing date shall also appear in the upper right corner of the first page of the Notice of Motion. However, a separate “Notice of Motion” shall not be required where the Motion itself contains the information required to be included in the “Notice of Motion”; and it is further

ORDERED that, except with respect to significant pleadings in adversary proceedings, Local Rule 9013-1(b) shall not be read to require a separate memorandum of law, so long as the relevant points and authorities relied on in support of the Court Paper are set forth therein; and it is further

ORDERED that the deadline to file an Objection (the “Objection Deadline”) to any Motion shall be: (i) at least seven (7) calendar days before the applicable hearing date or (ii) any date otherwise ordered by the Court. The Objection Deadline may be extended with the consent of the movant or applicant. No Objection will be considered timely unless filed with the Court and served on the Core Parties on or before the applicable Objection Deadline. All parties filing an Objection shall include their telephone and facsimile numbers in the signature block on the last page of the Objection; and it is further

ORDERED that unless otherwise ordered by the Court, a reply to an Objection shall be filed with the Court and served in accordance with these Procedures on or before 12:00 p.m. on the day that is two (2) business days before the date of the applicable hearing; and it is further

ORDERED that, by approximately 4:00 p.m. on the day before an Omnibus Hearing, the Debtors shall file with the Court a letter setting forth each matter to be heard at the hearing (the letter may be updated after the initial submission if necessary) (the “Agenda Letter”) and shall serve the letter(s), by facsimile or e-mail (the choice of the foregoing being in the Debtors’ sole discretion) on: (i) chambers, (ii) the Office of the United States Trustee for the Southern District of New York, [name], (iii) the attorneys for the official committee of unsecured creditors, [attorney names, addresses], (iv) the attorneys for any other official committee(s) appointed in these chapter 11 cases, and (v) any parties that have filed Court Papers to be considered at the hearing. Agenda Letters shall not be required where the Debtors have less

than forty eight (48) hours notice of the hearing. The matters listed on the Agenda Letter shall be limited to matters of substance and shall not include administrative filings such as notices of appearance and affidavits of service; and it is further

ORDERED that notwithstanding anything contained herein, motions for relief from the automatic stay filed pursuant to section 362 of the Bankruptcy Code shall be noticed for consideration on an Omnibus Hearing Date that is at least twenty (20) calendar days after the motion is filed and served. Unless otherwise ordered by the Court, the Objection Deadline shall be three (3) days before the scheduled hearing; and it is further

ORDERED that notwithstanding section 362(e) of the Bankruptcy Code, if a scheduled motion with respect to a request for relief under section 362(d) of the Bankruptcy Code is adjourned upon the consent of the Debtors and the moving party to a date that is on or after the thirtieth (30th) day after the moving party's request for relief was made, the moving party shall be deemed to have consented to the continuation of the automatic stay in effect pending the conclusion of, or as a remit of, a final hearing and determination under section 362(d) of the Bankruptcy Code, and shall be deemed to have waived its right to assert the termination of the automatic stay under section 362(e) of the Bankruptcy Code; and it is further

ORDERED that the Debtors, in cooperation with the Claims Agent, are hereby authorized to create and maintain an independent website for the posting of certain information regarding these chapter 11 cases (the "Case Information Website"), located at www.deltadocket.com, including, in the Debtors' sole discretion, certain orders, decisions or other Court Papers filed in these chapter 11 cases; and it is further

ORDERED that the Court's Website shall include a link to the Case Information Website; and it is further

ORDERED that the Case Information Website shall display a disclaimer substantially similar to the following:

Please take notice that this website has been established and is being maintained and operated at the direction of the United States Bankruptcy Court for the Southern District of New York (the "Court") by Bankruptcy Services LLC (the "Claims Agent"), in cooperation with Delta Air Lines, Inc. ("Delta") and those of its subsidiaries that have filed for chapter 11 (collectively, the "Debtors"), pursuant to the Case Management Order entered in connection with the Debtors' chapter 11 cases. This website is not the website of the Court. While every attempt is being made to ensure the accuracy of the information contained herein, this website does not contain or comprise the official court records. Neither Delta nor the Claims Agent guarantees or warrants the accuracy, completeness, or timelessness of the information provided on this website and neither Delta nor the Claims Agent shall be liable for any loss or injury arising out of or caused in whole or in part by the acts, errors or emissions of the parties responsible for the website, whether negligent or otherwise, in procuring, compiling, collecting, meeting, reporting, communicating or delivering the information contained in the website.

Neither Delta nor the Claims Agent undertakes any obligation to update, modify, revise or recategorize the information provided herein, or to notify you or any third party should the information be updated, modified, revised or recategorized. In no event shall anything included or omitted from this website make Delta and/or the Claims Agent liable to you or any third party for any direct, indirect, incidental, consequential or special damages (including, but not limited to, damages arising from the disallowance of a potential claim, damages to business reputation, lost business or lost profits), whether or not foreseeable and however caused. This website should not be relied upon as a substitute for financial, legal or other professional advice. It is your sole obligation to maintain accurate records of the documents filed in the chapter 11 cases, based on the Court's dockets relating to the Debtors' chapter 11 cases which can be accessed through the court's website at www.nysb.uscourts.gov (a PACER login and password are needed to view these documents and can be obtained at <http://pacer.psc.uscourts.gov>). The Debtors' website is being made available merely as a convenience to interested parties and the public;

and it is further

ORDERED that the Debtors are authorized to use the Claims Agent as a copy service for the purpose of distributing Court Papers filed in these chapter 11 cases to any requesting party at costs not to exceed those designated by 28 U.S.C. § 1930. The Debtors shall not be charged for this service. Parties seeking to obtain Court Papers from the Claims Agent may call [phone number]; and it is further

ORDERED that the Debtors may amend the Procedures from time to time throughout these chapter 11 cases and shall present such amendments to the Court by motion in accordance with this Order; and it is further

ORDERED that notice of the Case Management Motion as provided therein shall be deemed good and sufficient notice of such Case Management Motion; and it is further

ORDERED that this Order is without prejudice to any party in interest's right to seek to amend or otherwise modify the relief ordered herein.

Dated: October 6, 2005

New York, New York

UNITED STATES BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
:
In re: :
: Chapter 11
WORLDCOM, INC., et al., :
: Case No. _____
:
: (Jointly Administered)
Debtor(s). :
:
-----X

**FIRST AMENDED CASE-MANAGEMENT ORDER (i) ESTABLISHING,
AMONG OTHER THINGS, NOTICE PROCEDURES (INCLUDING BY
ELECTRONIC MEANS), OMNIBUS HEARING DATES, AND
ALTERNATIVE METHODS OF PARTICIPATION AT HEARINGS AND
(ii) AUTHORIZING WORLDCOM, INC., ET AL., TO ESTABLISH
AN INDEPENDENT WEBSITE**

Upon the sua sponte motion of this Court at a hearing held on July 22, 2002 (the “Motion”), for WorldCom, Inc. and its direct and indirect domestic subsidiaries, as debtors and debtors in possession (collectively, the “Initial Debtors”); and the Court having the authority and jurisdiction to consider the Motion and the relief requested therein in accordance with 11 U.S.C. § 105, and 28 U.S.C. §§ 157 and 1334; and due and proper notice of the Motion; and the Court being cognizant of (i) the size and complexities of these chapter 11 cases, including, without limitation, the number of creditors, equity interest holders and parties in interest with respect thereto and the difficulties associated with attendance at hearings and (ii) the need for the implementation of electronic noticing procedures for the orderly and efficient administration of these chapter 11 cases for the benefit of the Debtors, their creditors and the Debtors’ chapter 11 estates; and by order dated July 29, 2002 (the “Initial Order”), the Court having granted the Motion; and certain affiliates of the Initial Debtors having thereafter commenced chapter 11 cases (together with the initial Debtors, the “Debtors”); and, upon review, the Court having determined to modify the Initial Order as provided herein; upon due consideration, good and sufficient cause appearing therefor, it is hereby ORDERED AS FOLLOWS :

1. The Initial Order is hereby modified and amended.

Service List

2. The Debtors shall maintain a master service list (the “Service List”) identifying the parties that must be served whenever a motion, application or other pleading requires the service of notice .

a. The Service List shall include (i) the Debtors, [attorney names, addresses], (ii) [attorney names, addresses], Attorneys for Debtors and Debtors in Possession, [attorney names, addresses], (iii) the Office of the United States Trustee, 33 Whitehall Street, 21st Floor, New York, New York 10004, Attn: [name], (iv) [law firm name], Attorneys for the Examiner in these chapter 11 cases, [attorney names, addresses], (v) [law firm name], Attorneys for the Lenders Party to the Debtors’ 364-Day Revolving Credit Agreement, [attorney names, addresses], (vi) [law firm name], Attorneys for the Debtors’ Postpetition Lenders, [attorney names, addresses], (vi) [law firm name], Attorneys for the statutory committee of unsecured creditors (the “Creditors’ Committee”), [attorney names, addresses], (viii) [law firm name], Attorneys for Informal Committee of Bondholders of MCI Communications Corporation, [attorney names, addresses], (ix) [law firm name], Attorneys for Informal Committee of Bondholders of Intermedia Communications Inc., [attorney names, addresses], (x) Securities and Exchange Commission, 233 Broadway, New York, New York 10279, Attn: [name] and Securities & Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, Attn: [name], (xi) Internal Revenue Service, 290 Broadway, New York, New York 10007, Attn: District Director, and Internal Revenue Service, 290 Broadway, New York, New York 10007, Attn: Regional Director, (xii) other government agencies to the extent required by the Bankruptcy Rules and the Local Rules (each, as defined below) and (xiii) any party that has requested notice pursuant to Rule 2002 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

b. Any creditor, equity interest holder or party in interest that, as of the date hereof, is not included on the Service List and wishes to receive notice other than as required in accordance with Bankruptcy Rule 2002 must file a notice of appearance and request for service of papers (a “Request”) with the Clerk of the Court and serve a copy of such Request upon each of the parties set forth in decretal paragraph 2(a)(i)-(x) above. Each Request must include such party’s (i) name, (ii) address, (iii) name of client, if applicable, (iv) telephone number, (v) facsimile telephone number and (vi) electronic mail (e-mail) address, unless such party files a request to be exempted from providing an electronic (e-mail) address.

c. Any party having submitted properly a Request as of the date hereof (an “Initial Request”) shall not be required to submit a second Request (a “Supplemental Request”) except to the extent that such Initial Request failed to include an electronic mail (e-mail) address. To the extent that such party fails to file and serve a Supplemental Request which contains an electronic mail (e-mail) address, notwithstanding the filing of the Initial Request, such party shall not be entitled to additional service of papers in accordance with decretal paragraph 3 hereof, unless such party (i) files a request to be exempted from providing an electronic (e-mail) address and (ii) serves a copy of such request upon each of the parties set forth on the Service List as the

date thereof, including, without limitation, the parties set forth in paragraph 2(a) hereof.

d. The Debtors shall use their reasonable best efforts to update the Service List as frequently as practicable, but in no event less frequently than every ten (10) days. The Service List shall be available electronically on the Court's website (www.nysb.uscourts.gov) and on the Independent Website, as defined below, to be created and maintained for these chapter 11 cases.

Filing/Service of Papers

3. Pursuant to (i) the Court's General Order (Revised Electronic Filing Electronic Procedures), #M-242, dated January 19, 2001, and (ii) Sections II (A) and (B) of the Revised Administrative Electronic Procedures for Electronically Filed Cases (the "Electronic Procedures"), (a) except with regard to documents which may be filed under seal, all motions, pleadings, memoranda of law, or other documents required to be filed with the Court in these chapter 11 cases shall be electronically filed on the Court's Electronic Filing System, (b) *except with regard to (i) service upon (1) counsel to the Debtors, (2) counsel to the Creditors' Committee, (3) the U.S. Trustee, (4) counsel to the Examiner and (5) any department or agency of the United States of America*, including the United States Attorney, as may be required in accordance with Section II(B)(3) of the Electronic Procedures, or in accordance with a subsequent order of the Court, and (ii) the delivery, unless otherwise ordered by the Court, of a courtesy copy of every pleading, motion, application, objection, response or other filed document to the Court's chambers c/o Room 534, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004, clearly marked "Chambers Copy," no documents shall be required to be served in paper (i.e., "hard copy"), and (c) except as set forth in paragraphs 2(b) and (c) hereof, each party having filed a Request, whether or not set forth in the Service List, shall be deemed to have consented to electronic service of papers. Notwithstanding the foregoing, any party that has not filed a Request or that has not consented to or been deemed to have consented to electronic service shall be served in paper (i.e., "hard-copy"). Under all circumstances, service upon counsel to the Debtors, counsel to the Creditors' Committee, the U.S. Trustee, counsel to the Examiner and any department or agency of the United States of America, including the United States Attorney, is required to be in paper, as well as in accordance with the Electronic Procedures.

Omnibus Hearing Days

4. Unless otherwise ordered by the Court or established by the Court as of the date hereof, the Court hereby establishes Tuesday of each week at 10:00 a.m. as the scheduled hearing day (the "Hearing Day") and time for hearing all motions, applications and other matters in these chapter 11 cases, including, without limitation, in connection with adversary proceedings. No calendared matter shall, even with the consent of the Debtors and the other movant with respect thereto, be adjourned without Court approval. Notwithstanding the foregoing, to the extent that such Tuesday is not a business day, or the Court is not otherwise open for business, the Court shall post such exceptions on the Court's internet case calendar (the "Court Calendar"),

available at www.nysb.uscourts.gov. In the event that a motion, application or other matter is filed with the Court and does not appear on the Court Calendar within three (3) business days of the filing thereof, such filing party should contact the Court's chambers for the sole purpose of posting a hearing with respect thereto on the Court Calendar.

5. Except with regard to (a) motions for relief from the automatic stay in accordance with section 362 of title 11 of the United States Code (the "Bankruptcy Code") and (b) motions and applications to compromise and settle claims, disputes and causes of action pursuant to Bankruptcy Rule 9019, all motions, applications and other matters requiring notice and/or a hearing that are filed, lodged or submitted by the Debtors, the Creditors' Committee or any other party in interest, including, without limitation, (i) motions to compel the assumption or rejection of executory contracts and unexpired leases in accordance with section 365 of the Bankruptcy Code, and (ii) motions or applications to take examinations pursuant to Bankruptcy Rule 2004, but expressly excluding "first day" hearings for newly filed debtors, claims objections, and adversary proceedings, shall be noticed for hearing on the next Hearing Day that is at least twenty-five (25) days after such motion, application or other pleading is filed with the Clerk of the Court and notice thereof is served upon the appropriate parties. Unless otherwise ordered by the Court, the objection deadline with respect thereto shall be the later to occur of (i) twenty (20) days after the date of filing and service of such motion, application or other pleading and (ii) three (3) business days prior to the Hearing Day with respect thereto, provided, however, that unless the parties agree otherwise, if a duly scheduled motion is adjourned before an interested party's objection has been filed and before the objection deadline has expired, then the objection deadline shall be extended automatically as to such interested party to the date that is three (3) business days prior to the adjourned Hearing Day with respect to such motion, application, or other proceeding. The Hearing Day and objection deadline shall be set forth in the upper right corner of the first page of the applicable motion, application, or other pleading. Unless otherwise specified herein, all time periods referred to herein shall be calculated in accordance with Bankruptcy Rule 9006.

a. In the event that any nondebtor affiliates of the Debtors commence chapter 11 cases and "first day" motions or applications (including, without limitation, motions and applications regarding the applicability of existing "first day" orders to the chapter 11 cases of such newly filed affiliated debtors) are filed and served by newly filed debtors at least thirty-six (36) hours before a Hearing Day, upon notice to such entities' twenty (20) largest unsecured creditors, the Court shall consider such motions and applications at the next Hearing Day. Otherwise, such motions and applications shall be considered by the Court on the following Hearing Day.

b. The Court shall set separate hearings for claims objections and for pretrial conferences and trials in connection with adversary proceedings. Initial pretrial conferences in connection with adversary proceedings shall be scheduled on the next available Hearing Day that is at least forty-five (45) days after the filing of the complaint.

c. In the event that any party or entity proposes to act or obtain an order by notice of presentment, notice of settlement or other means, in lieu of proceeding by motion,

such party may provide written notice in accordance with the provisions of Rule 2002-2 of the Local Bankruptcy Rules for the Southern District of New York (the “Local Rules”); provided, however, that, unless otherwise ordered by the Court, the time periods set forth in Local Rules 2002-2 (b) and (d) are hereby extended to those set forth in this decretal paragraph 5. If a timely objection is made to a proposal to act or obtain an order by notice of presentment, notice of settlement or other means, such objection is deemed to be a request for a hearing. In such a case, a Hearing Day will be chosen by the Court and the parties will be notified of the Hearing Day pursuant to the terms of this Order.

d. Notwithstanding anything contained in this decretal paragraph 5 to the contrary, motions for relief from the automatic stay in accordance with section 362 of the Bankruptcy Code shall be noticed for hearing on the next Hearing Day that is at least twenty (20) days after such motion is filed with the Clerk of the Court and notice thereof is served upon the Debtors. Unless otherwise ordered by the Court, the objection deadline with respect thereto shall be the later to occur of (i) fifteen (15) days after the date of filing and service of such motion and (ii) three (3) days prior to the Hearing Day with respect thereto. If such duly scheduled motion with respect to a request for relief under section 362(d) of the Bankruptcy Code is adjourned upon the consent of the Debtors and the moving party to a date that is on or after the thirtieth (30th) day after the moving party’s request for relief was made, the moving party shall be deemed to have consented to the continuation of the automatic stay in effect pending the conclusion of, or as a result of, a final hearing and determination under section 362(d) of the Bankruptcy Code, and shall be deemed to have waived its right to assert the termination of the automatic stay under section 362(e) of the Bankruptcy Code. In the event that any hearing in connection with a motion for relief from the automatic stay shall require the presentation of evidence, the movant shall inform the Court, the Debtors and the Creditors’ Committee, in writing, of any such intention, the manner of presentation, the number of potential witnesses and the expected length of such presentation no later than three (3) business days prior to the Hearing Day with respect thereto.

e. Notwithstanding anything contained in this decretal paragraph 5 to the contrary, and unless otherwise shortened by an order of the Court; motions and applications to compromise and settle claims, disputes and causes of action pursuant to Bankruptcy Rule 9019 shall be noticed for hearing on the next Hearing Day that is at least ten (10) days after such motion or application is filed with the Clerk of the Court; provided, however, that the foregoing is without prejudice to the right of the Creditors’ Committee to seek an adjournment thereof. Unless otherwise ordered by the Court, the objection deadline with respect thereto shall be three (3) business days prior to the Hearing Day with respect thereto.

6. Notwithstanding the provisions of decretal paragraph 5 hereof in the event that, in the reasoned determination of a movant or applicant, a motion or application of a party or entity other than the Debtors requires emergency or expedited relief:

a. Such movant or applicant shall contact counsel to the Debtors and counsel to the Creditors’ Committee requesting that such motion or application be considered on an expedited basis.

b. In the event that either counsel to the Debtors or counsel to the Creditors' Committee disagrees with the movant's or applicant's determination regarding the emergency or expedited nature of the relief requested, such movant or applicant, as the case may be, shall (i) inform the Court of such disagreement via telephone and thereafter (ii) arrange for a chambers conference, telephonic or in person, to be held among the Court, counsel to the Debtors, counsel to the Creditors' Committee and such movant or applicant to discuss such disagreement. In the event that, following such chambers conference, the Court agrees with the position of such movant or applicant regarding the necessity for expedited consideration, such movant or applicant, as the case may be, may, by order to show cause, request a hearing to be held on a Hearing Day prior to the Hearing Day that is twenty-five (25) days, or in the case of motions for relief of the automatic stay, twenty (20) days, following the filing and service of the applicable motion or application. Any such motion or application must state with specificity the reason why an emergency exists or why there is a need for expedited treatment, indicate in the caption thereof that it is an emergency motion and certify the fact that a chambers conference, telephonic or in-person, was held and the concurrence of the Court as to the necessity for expedited consideration. In the event that the Court grants such emergency treatment, the Court shall direct the requisite notice and shall set a hearing date and time. On the Hearing Day on which the matter is scheduled, the Court shall first consider the propriety of emergency treatment, whether adequate notice has been given, and whether there has been adequate opportunity for parties to be heard. In the event that the Debtors seek emergency or expedited relief such request for emergency or expedited consideration shall be upon prior notice to counsel for any statutory committee and an opportunity to be heard.

c. In the event that counsel to the Debtors and counsel to the Creditors' Committee do not disagree with the movant's or applicant's determination regarding the emergency or expedited nature of the relief requested, such movant or applicant, as the case may be, may, by proposed scheduling order, request a hearing to be held on a Hearing Day prior to the Hearing Day that is twenty-five (25) days, or in the case of motions for relief of the automatic stay, twenty (20) days, following the filing and service of the applicable motion or application. Any such motion or application must certify the agreement of expedited treatment by the Debtors and the Creditors' Committee, state with specificity the reason why an emergency exists or why there is a need for expedited treatment and indicate in the caption thereof that it is an emergency motion. In the event that the Court grants such emergency treatment, the Court shall direct the requisite notice and shall set a hearing date and time. On the Hearing Day on which the matter is scheduled, the Court shall first consider the propriety of emergency treatment, whether adequate notice has been given, and whether there has been adequate opportunity for parties to be heard.

Proposed Hearing Agenda

7. By 12:00 noon on the day prior to each Hearing Day, the Debtors' counsel shall provide to Chambers, counsel for the Creditors' Committee, counsel to the Debtors' debtor in possession lenders, the U.S. Trustee, and counsel to the Examiner

a proposed agenda with regard to the matters which are or were to be heard on such Hearing Day (the “Proposed Hearing Agenda”).

a. The Clerk shall post the Proposed Hearing Agenda on the Court’s website and the Debtors shall provide a copy of the Proposed Hearing Agenda to the Independent Website host and cause the Proposed Hearing Agenda to be posted on the Independent Website. The Proposed Hearing Agenda, whether or not served on parties or published on the Internet, shall constitute merely a proposal for the convenience of the Court and counsel and NOT be determinative of the matters to be heard on that day or whether there will be a settlement or continuance.

b. The Proposed Hearing Agenda is expected to include:

(i) The docket number and title of each matter to be scheduled for hearing on the next Hearing Day;

(ii) Whether the matter has been adjourned;

(iii) Whether the matter is contested or uncontested;

(iv) The Debtors’ estimate of the time required to hear each matter;

(v) Other comments that will assist the Court in organizing its docket for the day (for example, if a request for continuance or withdrawal of the matter is expected); and

(vi) a suggestion for the order in which the matters should be addressed.

c. On the Hearing Day, the Court may, or may not, accept the hearing agenda proposed by the Debtors.

Independent Website

8. The Debtors are authorized to establish and maintain an independent, separately named website (the “Independent Website”) for the posting of all documents filed in the main case, as well as any associated adversary proceedings, except proofs of claim and those documents filed under seal or otherwise excepted by the Court. It is intended that orders, decisions and all other documents will be posted on the Independent Website within one (1) business day of receipt by the Independent Website host. All documents filed with the Court or otherwise entered by the Clerk shall be posted on the Court’s System, as defined in the Electronic Procedures, and then the Independent Website host will post such documents on the Independent Website. Unless previously provided electronically, if necessary, it shall be the responsibility of the Debtors to arrange to have the documents picked up or delivered at least once during each day the Clerk’s Office is open. The Clerk of the Court shall continue to docket all documents and maintain the official court record on the Court’s System.

9. Unless otherwise determined by the Debtors, the schedules and statement of financial affairs (the “Schedules”) to be filed by the Debtors shall be placed on the Independent Website. In the event a party in interest desires a photocopy of the Schedules, such party must contact [law firm name], Attorneys for Debtors and Debtors in Possession, [attorney names, addresses].

10. Proofs of claims shall not be placed on the Independent Website.

11. Notwithstanding the foregoing, in its discretion, the Court may direct that certain pleadings not be placed on the Independent Website if they are simply proce-

dural and do not deal with specific substantive matters, including, without limitation, requests for special notices and certificates of service.

12. The Independent Website shall prominently display the following disclaimer:

“Please take notice that this website has been established, and is being maintained and operated by the Debtors, WorldCom, Inc., et al., as authorized by the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) pursuant to the Case Management Order (i) Establishing, Among Other Things, Notice Procedures (Including By Electronic Means), Omnibus Hearing Dates, and Alternative Methods of Participation at Hearings and (ii) Authorizing WorldCom, Inc., et al., to Establish an Independent Website dated July 29, 2002, as amended by the First Amended Case Management Order (i) Establishing, Among Other Things, Notice Procedures (Including By Electronic Means), Omnibus Hearing Dates, and Alternative Methods of Participating at Hearings and (ii) Authorizing WorldCom, Inc., et al., to Establish an Independent Website. This website is not the website of the Bankruptcy Court. While every attempt is being made to ensure the accuracy of the information contained on the site, this website does not contain or comprise the official court records. The site is being made available merely as a convenience to all interested parties and the public.”

Participation in Hearings by Telephone/Video-Conferencing

13. The Debtors shall arrange with a service, to be determined by the Debtors in their sole and absolute discretion, for the participation in hearings in these chapter 11 cases by telephone conference. Any party filing a motion, application or other pleading, including, without limitation, an objection or response thereto, may participate in a hearing by telephone conference; *provided however*, that prior written notification of such party’s intention to participate telephonically shall be provided by such party to counsel to the Debtors and any statutory committee at least twenty-four (24) hours prior to the commencement of any hearing. Any party not submitting a pleading, but interested in monitoring the Court’s proceedings, may participate by telephone conference in “listen only” mode. Under no circumstances may any party record or broadcast the proceedings conducted by the Court. Information regarding the manner and cost of telephonic participation shall be posted on the Court’s website and the Independent Website. Any costs associated with setting up this system, but expressly not including the cost of participation, shall be borne by the Debtors as permitted by 28 U.S.C. § 156(c).

14. The Court shall consider the use of video-conferencing on a case-by-case basis. Any costs associated with the use of video-conferencing, unless otherwise ordered by the Court, shall be borne by the party requesting the use thereof.

Settlement

15. In the event that a matter is properly noticed for hearing and the parties reach agreement on a settlement of the dispute prior to the final hearing, the parties may announce the settlement at the scheduled hearing on the Hearing Day. In the event that the Court determines that the notice of the dispute and the hearing is adequate

Exhibits

notice of the effects of the settlement (i.e., that the terms of the settlement are not materially different from what parties in interest could have expected if the dispute were fully litigated), the Court may approve the settlement at the hearing without further notice of the terms of the settlement. In the event that the Court determines that additional or supplemental notice is required, the Debtors shall serve such notice in accordance with the procedures set forth in decretal paragraphs 3 and 5 hereof and a hearing to consider such settlement shall be on the next Hearing Day deemed appropriate by the Court.

Notice

16. Upon entry hereof, the Debtors shall serve a hard copy of this Order upon all parties set forth on the Service List as of the date hereof.

Effect

17. This Order is without prejudice to any party in interest to seek to amend, or otherwise modify, the relief ordered herein.

Dated: New York, New York
December 23, 2002

HONORABLE ARTHUR J. GONZALEZ
UNITED STATES BANKRUPTCY JUDGE

Exhibit I-10. Sample Certification of No Objection

UNITED STATES BANKRUPTCY COURT FOR THE
DISTRICT OF NEW JERSEY

IN RE:	:	CASE NO.:	_____
	:	CHAPTER:	11
DEBTOR	:	JUDGE:	_____

**CERTIFICATION OF NO OBJECTION
REGARDING _____
DOCUMENT NO. _____**

The undersigned hereby certifies that, as of _____, _____ has received no answer, objection or other responsive pleading to _____, document no. _____ filed on _____. The undersigned further certifies that I have reviewed the Court's docket in this case and no answer, objection or other responsive pleading to the _____ appears thereon. Pursuant to Notice of _____, objections to the _____ were to be filed and served no later than _____.

It is hereby respectfully requested that the Order attached to the _____
_____ be entered at the earliest convenience of the Court.

Dated: _____ Counsel to: _____
By: _____

Exhibit I-11. Sample Form of Notice of Agenda

UNITED STATES BANKRUPTCY COURT FOR THE
DISTRICT OF NEW JERSEY

	:	CASE NO.:	_____
In RE	:		
	:	CHAPTER:	11
	:		
DEBTOR	:	JUDGE:	_____

NOTICE OF AGENDA OF MATTERS

SCHEDULED ON _____, 20____ AT _____.M.

CONTINUED MATTERS

1. Title of Motion [Document no.]

- Response Deadline:
- Response(s) Received:
- Related Documents:
- Status: (Practice Note for Bar – state the continued hearing date, if known or if date needs to be determined)

UNCONTESTED MATTERS

2. Title of Motion [Document no.]

- Response Deadline:
- Response(s) Received:
- Related Documents:
- Status: (Practice Note for Bar – state no objections have been received and a certification of No Objection has or will be filed)

PRETRIAL CONFERENCES

3. Pretrial Conference on Complaint Re: [Caption of Adversary], Adversary Pro.
No. _____

- Related Documents:
- Adversary Complaint of _____
[Docket No.: _____]
- Response/Answer Deadline:
- Response(s) Received:
- Related Documents:

- Status: (The matter is going forward, Practice Note for Bar: If the parties are still negotiating please also state this development for the court).

CONTESTED MATTERS

4. Title of Motion [Document no.]

- Response Deadline:
- Response(s) Received:
- Related Documents:
- Status: (The matter is going forward, Practice Note for Bar: If the parties are still negotiating please also state this development for the court).

CONTESTED MATTER—EVIDENTIARY HEARING REQUIRED

5. Title of Motion [Document no.]

- Response Deadline:
- Response(s) Received:
- Related Documents:
- Status: (The matter is going forward, Practice Note for Bar: If the parties are still negotiating please also state this development for the court).

FEE APPLICATIONS

6. Title of Fee Application [Document no.]

- Response Deadline:
- Response(s) Received:
- Related Documents:
- Status

Date: _____

IMPORTANT NOTES TO NOTICE OF AGENDA

- Number Agenda matters consecutively. Therefore, do not start with number 1 at each new section.
- Include docket numbers for any pleadings referenced on Notice of Agenda.
- Amended Notices of Agenda should have new material in **bold** only. There is no need to italicize, underline, or blackline. DO NOT REARRANGE the numbering of the Notice of Agenda when and if submitting an Amended Notice of Agenda.
- Double check the updated docket before filing a Notice of Agenda to be sure you have included all docket numbers on pleadings listed. If for some reason a pleading is not docketed please note TBD and state when pleading filed with the court.

Exhibit II-1. Sample Order Denying a Motion to Appoint a Common Stockholders Committee

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW HAMPSHIRE

In re)
)
)
Debtor) BK No. _____
)

Order Re Motion for Common Stockholders Committee

This matter came on for hearing on February 2, 1990, upon the Motion of [movants' names] for Order Appointing an Official Committee of Common Stockholders. The Motion in question was filed on January 12, 1990. The Court has reflected on those arguments, as well as the written pleadings on this matter and the record in this case, and hereby denies said Motion on the following grounds:

1. This Chapter 11 case was commenced by a voluntary petition filed on January 28, 1988. The unique nature and complexity of this case of a debtor that is a regulated monopoly electric utility company has been set forth in prior opinions of this court. See, e.g., [prior decisions in this bankruptcy case].

2. Following a long and tortuous process this case in September 1989 had plans of reorganization filed by multiple, competing plan proponents and, under a series of procedural orders entered by the Court, there commenced a grueling sequence of hearings in November and December of 1989, consuming more than ten trial days and resulting in an order entered December 8, 1989, approving a disclosure statement on a joint plan of reorganization. A further procedural order then was entered on January 3, 1990, setting forth requirements for mailing the disclosure materials to creditors and stockholders, for voting on the plan, and for a confirmation hearing to commence on April 4, 1990.

3. No case cited to this court or independently found by this court has authorized the appointment of an additional committee after the disclosure statement hearing has been closed and the disclosure statement approved and before a scheduled confirmation hearing.

4. Courts generally do not look with favor on authorizing committees late in the reorganization process due to delay and disruption. See, e.g., [prior decisions in this bankruptcy case] (and cases cited therein). The decision cited above was rendered in August of 1988 and denied a request to appoint a separate committee of individual debenture holders. It was noted that the Court at the outset of these proceedings encouraged quick formation of committees in this case at conference hearings held in February and March of 1988 and that the individual debenture holder committee requested by a motion filed in June of 1988 would "belatedly interject" an additional committee that would cause unjustified delay and disruption in the proceeding.

5. Some conflicts between members of committees or their interests are expectable and do not per se warrant authorizing an extra committee, especially considering the added cost and complexity that appointing a committee would bring to the proceedings. See [prior decisions in this bankruptcy case].

6. It is conceded in the present case that granting the Motion for the Appointment of a Common Stockholder Committee will necessarily result in subsequent motions and appointment of attorneys and financial advisors to the new committee. In my judgment such appointments will necessarily delay and disrupt the scheduled confirmation hearings in order for such new professionals to be made knowledgeable about the history of this Chapter 11 proceeding and all factors bearing upon confirmation of the pending plan of reorganization.

7. There has been no showing that the existing equity committee does not adequately represent the interests of common as well as preferred stockholders in the circumstances of this case. The makeup of the committee has been known to all parties since originally appointed by the U.S. Trustee at the outset of the case and, until the present Motion was filed, no common stockholders aside from [movant's names] have challenged the makeup of the committee as not being representative or involving an impermissible conflict.

8. The movants believe the underlying compromise with the State of New Hampshire on rate increases for the reorganized company does not give sufficient weight to the possible rate increases that the company might achieve if the pending plan is not confirmed and the debtor proceeds with a litigated rate case once the Seabrook nuclear power plant comes online. The movants believe that the present plan proponents, including the equity committee, will not make an appropriate showing before the Court as to the possibilities of rate litigation as part of a showing that the compromise included within the plan of reorganization is fair and equitable. However, the plan proponents will have the burden at the confirmation hearing of establishing on the record that the compromise is fair and equitable—including a showing as to the range of possible results that might come out of a litigated rate case—as a factor in determining whether the plan is in the best interest of creditors and stockholders under Bankruptcy Code § 1129 (a)(7). The Court will have to make an affirmative finding in that regard to support confirmation of the pending plan.

9. The Court also notes in this regard that by Order entered April 3, 1989, the Court appointed [examiner's name], a former Chairman of the New York Public Service Commission, as Examiner in these proceedings under Bankruptcy Code § 1104, and has appointed [examiner's attorney's name] of New York City, as his attorney in these proceedings. The Court expects to receive knowledgeable analysis and information from the Examiner and his attorney at the confirmation hearing with regard to the range of possible results in a litigated rate case with the State of New Hampshire should the pending plan of reorganization not be confirmed. To the extent that the existing orders appointing the Examiner and his attorney may be restrictive in that regard they are hereby amended and expanded pro tanto to ensure this Court will have the requisite information to make the best interest finding under Bankruptcy Code § 1129(a)(7) at the confirmation hearing.

10. Nothing in this Order denying appointment of a committee will prevent [movants' names] from opposing in their individual capacities as common stockholders the confirmation of the plan of reorganization under the scheduling order. Moreover, under Bankruptcy Code § 503(b)(3) and (b)(4) should their activity in this case result in the making of a substantial contribution to the case as therein provided, they have the possibility of recovering their fees and expenses in that regard as an administrative expense of this estate.

11. Finally, it should be noted that the reluctance of this and other courts to appoint additional committees late in the reorganization process—and particularly after the disclosure statement hearings have been closed—is a function of the importance to the Chapter 11 reorganization process of meaningful and effective deadlines for plan formulation. This is especially true with regard to the approval of the requisite disclosure statement permitting a plan to go forward for vote on confirmation. Much that makes Chapter 11 work is the result of the pressure put on the parties and interests to “put their best foot forward” in the plan formulation process before the disclosure statement hearings are closed and the plan confirmation procedures commence. The present case, in its history during the August through December 1989 period, amply illustrates the constant improving of contending plans under this competitive time pressure, leading to the closing of the disclosure statement hearings.

12. The question as to the makeup of the equity committee in this case could have been raised at any time prior to the closing of the disclosure statement hearings, but was not. To order an additional committee now on that ground, even if it arguably might have been ordered earlier in the case, would be a precedent that would inevitably weaken the force of the procedures and deadlines necessary to effective plan formulation in Chapter 11 cases.

DONE and ORDERED this 9th day of February, 1990, at Manchester, New Hampshire.

JAMES E. YACOS
BANKRUPTCY JUDGE

Debtor to serve Full List

Exhibit II-2. Sample Order with Respect to Procedures for Prepackaged Chapter 11 Cases

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA

IN RE:)
)
PROCEDURES FOR) GENERAL ORDER NO. 03-11
PREPACKAGED CHAPTER 11 CASES)
)

1. Definition of “Prepackaged Chapter 11 Case.” A “prepackaged Chapter 11 case” shall be one in which the Debtor, substantially contemporaneously with the filing of its Chapter 11 petition, files a Confirmation Hearing Scheduling Motion for Prepackaged Plan satisfying the applicable criteria set forth below (“Prepack Scheduling Motion”), a plan, disclosure statement (or other solicitation document), and voting certification.

2. Criteria for Prepackaged Chapter 11 Case; Contents of Prepack Scheduling Motion.

2.1 Contents of Prepack Scheduling Motion. The Prepack Scheduling Motion shall represent:

2.1(a) that the solicitation of all votes to accept or reject the Debtor’s plan required for confirmation of that plan was completed prior to commencement of the Debtor’s Chapter 11 case, and that no additional solicitation of votes on that plan is contemplated by the Debtor, or that the solicitation of all votes to accept or reject the Debtor’s plan required for confirmation of that plan has been deemed adequate by the Court pursuant to ¶ 2.3 below such that no additional solicitation will be required;

2.1(b) that the requisite acceptances of such plan have been obtained from each class of claims or interests as to which solicitation is required except as provided in ¶ 2.1(c) below; and

2.1(c) with respect to any class of interests that has not accepted the plan whether or not it is deemed not to have accepted the plan under § 1126(g), represent that the Debtor is requesting confirmation under § 1129(b); and

2.1(d) request entry of an order scheduling the hearing, on date that is not more than ninety days after the petition date, on confirmation of the plan and on whether the Debtor has satisfied the requirements of either 11 U.S.C. § 1126(b)(1) or (b)(2).

2.2 Confirmation Pursuant to 11 U.S.C. § 1129(b)(2)(C). A Chapter 11 case may constitute a “prepackaged Chapter 11 case” for purposes of these guidelines notwithstanding the fact that the Debtor proposes to confirm the Plan pursuant to 11 U.S.C. § 1129(b)(2)(C) as to a class of interests.

2.3 Filing of Petition After Solicitation Has Commenced But Before Expiration of Voting Deadline. Unless the Court orders otherwise, if a Chapter 11 case is commenced by or against the Debtor, or if a Chapter 7 case is commenced against the Debtor and converted to a Chapter 11 case by the Debtor pursuant to 11 U.S.C. § 706(a), after the Debtor has transmitted all solicitation materials to holders of claims or interests whose vote is sought but before the deadline for casting acceptances or rejections of the Debtor's plan (the "Voting Deadline"):

2.3(a) the Debtor and other parties in interest shall be permitted to accept but not solicit ballots until the Voting Deadline; and

2.3(b) After notice and a hearing the Court shall determine the effect of any and all such votes.

2.4 Applicability of Guidelines to Cases Involving Cramdown of Classes of Claims and Interests and "Partial Prepackaged Chapter 11 Cases." The Court may, upon request of the Debtor or other party in interest in an appropriate case, apply some or all of these guidelines to:

2.4(a) cases in which the Debtor has satisfied the requirements of ¶ 2.1(a) above but intends to seek confirmation of the plan pursuant to 11 U.S.C. § 1129(b) as to a class of (1) claims which is deemed not to have accepted the plan under 11 U.S.C. § 1126(g); (2) claims or interests which is receiving or retaining property under or pursuant to the plan but whose members' votes were not solicited prepetition and whose rejection of the plan has been assumed by the Debtor for purposes of confirming the plan; or (3) claims or interests which is receiving or retaining property under or pursuant to the plan and which voted prepetition to reject the plan, as long as no class junior to such rejecting class is receiving or retaining any property under or pursuant to the plan; and

2.4(b) "partial prepackaged Chapter 11 cases," i.e., cases in which acceptances of the Debtor's plan were solicited prior to the commencement of the case from some, but not all, classes of claims or interests whose solicitation is required to confirm the Debtor's plan.

3. Procedure Prior to Filing.

3.1 Notice of Proposed Filing to UST. At least two business days prior to the anticipated filing date of the prepackaged Chapter 11 case, the Debtor should notify the UST of the Debtor's intention to file a prepackaged Chapter 11 case and supply the UST with two copies of the Debtor's plan and disclosure statement (or other solicitation document).

3.2 Notice of Proposed "Prepackaged First Day Orders". Paragraph 4.2 of the Court's General Order No. 03-10, concerning procedures prior to filing of First Day Motions, applies to all Prepackaged First Day Motions (as defined in ¶ 3.3 below). In addition, counsel for the Debtor should advise the Courtroom Deputy for the Judge assigned to the case of any unique procedures which may be requested.

3.3 Prepackaged First Day Orders.

3.3(a) Motions for Request for Entry of Immediate Orders. “Prepackaged First Day Motions” as defined in (b), shall comply with the requirements of ¶¶ 4 and 5 of the Court’s General Order No. 03-10.

3.3(b) Typical Prepackaged First Day Motions. Prepackaged First Day Motions typically entertained by the Court on or within two business days of the later of the petition date or the date of filing of the Prepackaged First Day Motions include (but are not limited to) the First Day Motions listed in ¶ 4.6 of the Court’s General Order No. 03-10, and the following:

3.3(b)(i) Prepack Scheduling Motion, setting forth the information required in ¶ 2 above.¹

3.3(b)(ii) Motion for order authorizing Debtor to mail initial notices, including the notice of meeting of creditors under 11 U.S.C. § 341(a).

3.3(b)(iii) Motion for order dispensing with the requirement of filing any or all schedules and statement of financial affairs in the event the Debtor is not seeking to bar and subsequently discharge all or certain categories of debt or extending Debtor’s time for filing schedules and statement of financial affairs to a specified date.

3.3(b)(iv) Motion for an order setting the last date for filing proofs of claim or interest if the Debtor has determined that a deadline should be set.

3.3(b)(v) Employment Applications, as defined in ¶ 6 of the Court’s General Order No. 03-10;

3.3(b)(vi) Motion for order authorizing employment and payment without fee applications of professionals used in ordinary course of business, not to exceed a specified individual and aggregate amount.

3.3(b)(vii) Motion for order establishing procedures for compensation and reimbursement of expenses of professionals.

3.3(b)(viii) Motion for order authorizing Debtor to pay claims for contribution to employee benefit plans in an amount not to exceed a specified amount, which amount shall be set forth in the Motion. If the Motion requests authority to pay amounts in excess of the amounts set forth in 11 U.S.C. § 507(a)(4) (as modified by 11 U.S.C. § 104(b)) then a list of the names and position/job titles of all employees as to whom those payments will be made shall be attached. However, the propriety of those requests shall be considered on a case-by-case basis. The Motion also shall provide the information required by ¶ 3.3(c).

3.3(b)(ix) Motion for an order authorizing Debtor to reimburse employee business expenses in an amount not to exceed a specified amount per employee and not to exceed a specified aggregate amount, which amounts

1. In the event solicitation has not been completed prior to the petition date, an alternative first day motion should be submitted consistent with sections 2(a)(i) and 2(c).

shall be set forth in the Motion. The Motion also shall provide the information required by ¶ 3.3(c).

3.3(b)(x) Motion for an order authorizing Debtor to pay creditors whose prepetition claims will be paid in full in cash on consummation under the Debtor's plan, not to exceed a specified aggregate amount, which amount shall be set forth in the Motion. The Motion should disclose the types of claims that the Debtor proposes to pay, e.g., trade creditors supplying goods; trade creditors supplying services; professionals involved in the routine, day-to-day operations and business of the Debtor. The Motion also shall provide the information required by ¶ 3.3(c).

3.3(b)(xi) Motion for an order authorizing continued performance without assumption under key executory contracts, including payment of prepetition amounts due and owing thereunder in an amount not to exceed specified aggregate and per claimant amounts. The Motion shall list and state all contracts subject to the motion and provide the information required by ¶ 3.3(c).

3.3(b)(xii) any Motion to Sell, as defined in ¶ 8 of the Court's General Order No. 03-10.

3.3(c) Motions Affecting Priority Claims. Any Motion under ¶ 3.3(b)(viii) through (ix) that proposes to pay a claim which is not a priority claim shall also explain why those claims should be afforded the treatment requested in the Motion.

3.4 Voting Period; Ballot; Multiple Votes; Notice Presumptions.

3.4(a) Voting Period Guidelines. Under ordinary circumstances, in determining whether the time allowed for casting acceptances and rejections on the Debtor's plan satisfied Fed. R. Bankr. P. 3018(b), the Court will approve as reasonable:

3.4(a)(i) For securities listed or admitted to trading on the New York Stock Exchange or American Stock Exchange or any international exchanges quoted on NASDAQ, and for securities publicly traded on any other national securities exchange ("Publicly Traded Securities"), a twenty-business-day voting period, measured from the date of commencement of mailing.

3.4(a)(ii) For securities which are not Publicly Traded Securities and for debt for borrowed money which is not evidenced by a Publicly Traded Security, a ten-business-day voting period, measured from the date of commencement of mailing.

3.4(a)(iii) For all other claims and interests, a twenty-business-day voting period, measured from the date of commencement of mailing.

3.4(b) Shorter or Longer Voting Period. Nothing herein is intended to preclude a shorter voting period if it is justified in a particular case or any party in interest from demonstrating that the presumptions set forth above are not reasonable in a particular case.

3.4(c) Ballot. The ballot may include information in addition to that set forth on the Official Ballot Form, and may request and provide space for the holder of a claim or interest to vote on matters in addition to the plan. By way of example, the ballot may seek and record votes relating to an exchange offer, consents to or votes with respect to benefits plans, and elections provided for in the plan (or exchange offer).

3.4(d) Multiple Votes. If the holder of a claim or interest changes its vote during the prepetition voting period, only the last timely ballot cast by such holder shall be counted in determining whether the plan has been accepted or rejected unless the disclosure statement (or other solicitation document) clearly provides for some other procedure for determining votes on the pre-packaged plan. If a holder of a claim or interest wants to change a vote post-petition, Fed. R. Bankr. P. 3018(a) requires a showing of cause and Court approval.

3.4(e) Notice Guidelines. In determining whether the plan was transmitted to substantially all creditors and equity security holders of the same class, the Court will take into account whether (1) the Debtor transmitted the plan and disclosure statement (or other solicitation document) in substantial compliance with applicable nonbankruptcy law, rules, or regulations and (2) the fact that creditors and equity security holders who are not record holders of the securities upon which their claims or interests are based generally assume the risk associated with their decision to hold their securities in “street name.”

3.5 Meeting of Creditors. After the filing of the Chapter 11 petition, the Debtor shall notify creditors of the date, time and place of the meeting of creditors pursuant to 11 U.S.C. § 341(a), as well as the other information set forth in § 9.8(b)(ii) below. The date set for the § 341(a) meeting should be no more than forty days after the filing of the petition.

3.6 Last Date for Filing Proofs of Claim or Interest.

3.6(a) A last date to file proofs of claim or interest will not be set unless the Debtor seeks an order fixing such a deadline for filing proofs of claim or proofs of interest.

3.6(b) If a claims agent is appointed, such agent shall docket all proofs of claim and proofs of interest and deliver to the Debtor complete copies of the proofs of claim and interest, along with a complete claims and interest docket, not later than five business days after the last date to file proofs of claim or interest.

3.7 Notice.

3.7(a) In General. Notice of the filing of the plan and disclosure statement (or other solicitation document) and of the hearing to consider compliance with disclosure requirements and confirmation of the plan must be given to all parties-in-interest. Paper copy of a notice must be mailed; service of a notice of electronic filing will not suffice. No further distribution of the plan

and disclosure statement (or other solicitation document) beyond that which occurred prepetition is required unless requested by a party-in-interest.

3.7(b) Hearing Notice.

3.7(b)(i) Where the disclosure statement has not been approved by the Court prior to confirmation, the Debtor shall prepare and mail paper copies to all parties-in-interest of a Notice of Confirmation Hearing and Approval of Disclosure Statement (or other solicitation documents) (the “Hearing Notice”). The Hearing Notice must (1) set forth the date, time and place of the hearing to consider compliance with disclosure requirements and confirmation of the plan; (2) set forth the date and time by which objections to the foregoing must be filed and served; (3) include a chart summarizing plan distributions; (4) set forth the name, address and telephone number of the person from whom copies of the plan and disclosure statement (or other solicitation document) can be obtained (at the Debtor’s expense); and (5) state that the plan and disclosure statement (or other solicitation document) can be viewed electronically and explain briefly how electronic access to these documents may be obtained.

3.7(b)(ii) Either the Hearing Notice or a separate notice must set forth the date, time and place of the § 341(a) meeting and state that such meeting will not be convened if (1) the plan is confirmed prior to the date set for the § 341(a) meeting and (2) the order confirming the plan (or order entered substantially contemporaneously therewith) contains a provision waiving the convening of such a meeting.

3.7(c) Service.

3.7(c)(i) The Hearing Notice shall be served upon (1) record (registered) holders of debt and equity securities (determined as of the record date established in the disclosure statement or other solicitation document) that were entitled to vote on the plan, (2) record (registered) holders of all other claims and interests of any class (determined as of a record date that is not more than ten days prior to the date of the filing of the petition), (3) all other creditors listed in the Debtor’s schedules, unless Debtor is not seeking to bar and subsequently discharge claims, in which case schedules may not be required to be filed, (4) the UST, (5) all indenture trustees, (6) any committee(s) that may have been appointed in the case, and (7) the United States in accordance with Fed. R. Bankr. P. 2002.

3.7(c)(ii) The Debtor shall inform the Court of the proposed procedures for transmitting the Hearing Notice to beneficial holders of stock, bonds, debentures, notes, and other securities, and the Court shall determine the adequacy of those procedures and enter such orders as it deems appropriate.

3.7(d) Time Period. The Official Notice shall be mailed at least twenty days prior to the scheduled hearing date on confirmation of the plan and adequacy of disclosure unless the Court shortens such notice period.

Exhibits

3.8 Combined Hearings. The hearings on the Debtor's compliance with either 11 U.S.C. § 1126(b)(1) or 11 U.S.C. § 1126(b)(2), as applicable, and on confirmation of the plan in a prepackaged Chapter 11 case shall be combined whenever practicable.

This order shall become effective on November 3, 2003.

SO ORDERED THIS ____ DAY OF _____, 2003.

FOR THE COURT:

Basil H. Lorch, III, Chief Judge

Exhibit II-3. Sample Order for a Disclosure and Confirmation Hearing on a Prepackaged Plan

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

_____	X	
	:	
In re:	:	
	:	Chapter 11 Case No.
[NAME],	:	__-_____(__)
	:	
	:	
Debtor.	:	
[DEBTOR'S ADDRESS]	:	Tax ID No.
_____	X	_____

**SUMMARY OF PLAN OF REORGANIZATION AND NOTICE OF
HEARING TO CONSIDER (i) DEBTOR'S COMPLIANCE WITH
DISCLOSURE REQUIREMENTS AND (ii) CONFIRMATION OF PLAN
OF REORGANIZATION**

NOTICE IS HEREBY GIVEN as follows:

1. On _____, _____ (the "Petition Date"), [name of debtor], the above-captioned debtor (the "Debtor"), filed with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") a proposed plan of reorganization (the "Plan") and a proposed disclosure statement (the "Disclosure Statement") pursuant to §§ 1125 and 1126(b) of title 11 of the United States Code (the "Bankruptcy Code"). Copies of the Plan and the Disclosure Statement may be obtained upon request of Debtor's counsel at the address specified below and are on file with the Clerk of the Bankruptcy Court, [address], where they are available for review between the hours of 9:00 a.m.–4:30 p.m. The Plan and Disclosure Statement also are available for inspection on the Bankruptcy Court's Internet site at www.nysb.uscourts.gov.

Summary of Plan of Reorganization

2. [Provide one paragraph general description of salient Plan provisions, including whether proponent requests confirmation pursuant to 11 U.S.C. § 1129(b).] Votes on the Plan were solicited prior to the Petition Date. The following chart summarizes the treatment provided by the Plan to each class of claims and interests and indicates the acceptance or rejection of the Plan by each class entitled to vote.

CLASS	CLASS CLASSIFICATION	IMPAIRMENT/ TREATMENT	ACCEPT/ REJECT

Hearing to Consider Compliance with Disclosure Requirements

3. A hearing to consider compliance with the disclosure requirements, any objections to the Disclosure Statement, and any other matter that may properly come before the Bankruptcy Court will be held before the Honorable _____, United States Bankruptcy Judge, in Room _____ of the United States Bankruptcy Court, [ADDRESS], on _____ at ____:____ .m. or as soon thereafter as counsel may be heard (the “Disclosure Compliance Hearing”). The Disclosure Compliance Hearing may be adjourned from time to time without further notice other than an announcement of the adjourned date or dates at the Disclosure Compliance Hearing or at an adjourned Disclosure Compliance Hearing and will be available on the electronic case filing docket.

4. Any objections to the Disclosure Statement shall be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court, shall set forth the name of the objector, the nature and amount of any claims or interests held or asserted by the objector against the estate or property of the Debtor, the basis for the objection, and the specific grounds therefor, and shall be filed with the Bankruptcy Court at the address specified in the previous paragraph, with a copy delivered directly to Chambers, together with proof of service thereof, and served upon the following persons so as to be received on or before _____, _____, at 5:00 p.m. (Eastern Time):

- (i) [NAME AND ADDRESS
of DEBTOR’S COUNSEL]
- (ii) [NAME AND ADDRESS OF
COMMITTEE COUNSEL]
- (iii) [NAME AND ADDRESS OF
BANK COUNSEL]
- (iv) [NAME AND ADDRESS OF
INDENTURE TRUSTEE]
- (v) OFFICE OF THE UNITED STATES
TRUSTEE
33 Whitehall Street, 21st Floor
New York, NY 10004
Attn: Deirdre A. Martini, Esq.

[and if applicable]

(vi) OFFICE OF THE UNITED
STATES ATTORNEY FOR
THE SOUTHERN DISTRICT OF
NEW YORK
One St. Andrew's Plaza
New York, NY 10007
Attn: David Jones, Esq.

(vii) SECURITIES AND EXCHANGE
COMMISSION
Northeast Regional
3 World Financial Center
Broker Dealer Dept., Rm. 4300
New York, NY 10281

UNLESS AN OBJECTION IS TIMELY SERVED AND FILED IN ACCORDANCE WITH THIS NOTICE, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

Hearing on Confirmation of the Plan

5. A hearing to consider confirmation of the Plan, any objections thereto, and any other matter that may properly come before the Bankruptcy Court shall be held before the Honorable _____, United States Bankruptcy Judge, in Room _____ of the United States Bankruptcy Court, [address], immediately following the Disclosure Compliance Hearing referred to above or at such later time as determined by the Bankruptcy Court at the conclusion of the Disclosure Compliance Hearing (the "Confirmation Hearing"). The Confirmation Hearing may be adjourned from time to time without further notice other than an announcement of the adjourned date or dates at the Confirmation Hearing or at an adjourned Confirmation Hearing.

6. Objections to the Plan, if any, shall be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court, shall set forth the name of the objector, the nature and amount of any claims or interests held or asserted by the objector against the estate or property of the Debtor, the basis for the objection, and the specific grounds therefor, and shall be filed with the Bankruptcy Court at the address specific in the previous paragraph, with a copy delivered directly to Chambers, together with proof of service thereof, and served upon the persons set forth in paragraph 4 above so as to be received on or before _____, _____, at 5:00 p.m. (Eastern time). **UNLESS AN OBJECTION IS TIMELY SERVED AND FILED IN ACCORDANCE WITH THIS NOTICE, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT.**

7. The times fixed for the Confirmation Hearing and objections to confirmation of the Plan may be rescheduled by the Bankruptcy Court in the event that the Bankruptcy Court does not find compliance with the disclosure requirements on _____, _____. Notice of the rescheduled date or dates, if any, will be provided by an announcement at the Disclosure Compliance Hearing or at an adjourned Disclosure Compliance Hearing and will be available on the electronic case filing docket.

Section 341(a) Meeting

8. A meeting pursuant to section 341(a) of the Bankruptcy Code (the “Section 341(a) Meeting”) shall be held at the United States Bankruptcy Court, in room ____, [ADDRESS], on _____, ____ at ____: ____ .m. Such meeting will not be convened if (i) the Plan is confirmed prior to the date set forth above for the Section 341(a) Meeting and (ii) the order confirming the Plan (or order entered substantially contemporaneously therewith) contains a provision waiving the convening of a Section 341(a) Meeting.

Dated: New York, New York

BY ORDER OF THE COURT

_____, _____

United States Bankruptcy Judge

[NAME, ADDRESS, AND
TELEPHONE NUMBER OF
DEBTOR’S COUNSEL]

Exhibit II-4. Guidelines on Sale of All or Substantially All Assets

UNITED STATES BANKRUPTCY COURT NORTHERN DISTRICT OF TEXAS

GUIDELINES FOR EARLY DISPOSITION OF ASSETS IN CHAPTER 11 CASES

THE SALE OF SUBSTANTIALLY ALL ASSETS UNDER SECTION 363 AND OVERBID AND TOPPING FEES

The following guidelines are promulgated as a result of the increasing use of pre-negotiated or pre-packaged plans and 11 U.S.C. § 363 sales to dispose of substantially all assets of a Chapter 11 debtor shortly after the filing of the petition. The guidelines recognize that parties in interest perceive the need at times to act expeditiously on such matters. In addition, the guidelines are written to provide procedural protection to the parties in interest. The court will consider requests to modify the guidelines to fit the circumstances of a particular case.

OVERBIDS & TOPPING FEES

1. Topping Fees and Break-up Fees. Any request for the approval of a topping fee or break-up fee provision shall be supported by a statement of the precise conditions under which the topping fee or break-up fee would be payable and the factual basis on which the seller determined the provision was reasonable. The request shall also disclose the identities of other potential purchasers, the offers made by them (if any), and the nature of the offer, including, without limitation, any disclosure of their plans as it relates to retention of debtor's employees.
2. Topping fees, break-up fees, overbid amounts and other buyer protection provisions will be reviewed on a case-by-case basis and approved if supported by evidence and case law. Case law may not support buyer protection provisions for readily marketable assets.
3. In connection with a request to sell substantially all assets under § 363 within 60 days of the filing of the petition, buyer protections may be considered upon motion, on an expedited basis.

THE SALE OF SUBSTANTIALLY ALL ASSETS UNDER SECTION 363 WITHIN 60 DAYS OF THE FILING OF THE PETITION

4. The Motion to Sell. In connection with any hearing to approve the sale of substantially all assets at any time before 60 days after the filing of the petition, a motion for an order authorizing a sale procedure and hearing or the sale motion itself when regularly noticed, should include factual information on the following points:

Exhibits

- a. Creditors' Committee. If a creditors' committee existed prepetition, indicate the date and manner in which the committee was formed, as well as the identity of the members of the committee and the companies with which they are affiliated.
- b. Counsel for Committee. If the prepetition creditors' committee retained counsel, indicate the date counsel was engaged and the selection process, as well as the identity of committee counsel.
- c. Sale Contingencies. Statement of all contingencies to the sale agreement, together with a copy of the agreement.
- d. Creditor Contact List. If no committee has been formed, a list of contact persons, together with fax and phone numbers for each of the largest 20 unsecured creditors.
- e. Administrative Expenses. Assuming the sale is approved, an itemization and an estimate of administrative expenses relating to the sale to be incurred prior to closing and the source of payment for those expenses.
- f. Proceeds of Sale. An estimate of the gross proceeds anticipated from the sale, together with an estimate of the net proceeds coming to the estate with an explanation of the items making up the difference. Itemize all deductions that are to be made from gross sale proceeds and include a brief description of the basis for any such deductions.
- g. Debt Structure of Debtor. A brief description of the debtor's debt structure, including the amount of the debtor's secured debt, priority claims and general unsecured claims.
- h. Need for Quick Sale. An extensive description of why the assets of the estate must be sold on an expedited basis. Include a discussion of alternatives to the sale.
- i. Negotiating Background. A description of the length of time spent in negotiating the sale, and which parties in interest were involved in the negotiation, along with a description of the details of any other offers to purchase, including, without limitation, the potential purchaser's plans in connection with retention of the debtor's employees.
- j. Marketing of Assets. A description of the manner in which the assets were marketed for sale, including the period of time involved and the results achieved.
- k. Decision to Sell. The date on which the debtor accepted the offer to purchase the assets.
- l. Relationship of Buyer. A statement identifying the buyer and setting forth all of the buyer's (including its officers, directors and shareholders) connections with the debtor, creditors, any other party in interest, their respective attorneys, accountants, the United States Trustee or any person employed in the office of the United States Trustee.
- m. Post-Sale Relationship with Debtor. A statement setting forth any relationship or connection the debtor (including its officers, directors, shareholders

and employees) will have with the buyer after the consummation of the sale, assuming it is approved.

- n. Relationship with Secured Creditors. If the sale involves the payment of all or a portion of secured debt(s), a statement of all connections between debtor's officers, directors, employees or other insiders and each secured creditor involved (for example, release of insider's guaranty).
 - o. Insider Compensation. Disclosure of current compensation received by officers, directors, key employees or other insiders pending approval of the sale.
 - p. Notice Timing. Notice of the hearing on the motion to approve the motion to sell will be provided as is necessary under the circumstances.
- 5. Proposed Order Approving Sale. A proposed order approving the sale must be included with the motion or the notice of hearing. A proposed final order and redlined version of the order approving the sale should be provided to chambers twenty-four hours prior to the hearing.
 - 6. Good Faith Finding. There must be an evidentiary basis for a finding of good faith under 11 U.S.C. § 363(m).
 - 7. Competing Bids. Unless the court orders otherwise, competing bids may be presented at the time of the hearing. The motion to sell and the notice of hearing should so provide.
 - 8. Financial Ability to Close. Unless the court orders otherwise, any bidder must be prepared to demonstrate to the satisfaction of the court, through an evidentiary hearing, its ability to consummate the transaction if it is the successful bidder, along with evidence regarding any financial contingencies to closing the transaction.
 - 9. Hearing and Notice Regarding Sale. Unless the court orders otherwise, all sales governed by these guidelines, including auctions or the presentation of competing bids, will occur at the hearing before the court. The court may, for cause, including the need to maximize and preserve asset value, expedite a hearing on a motion to sell substantially all assets under § 363.

Exhibit II-5. Guidelines for Cash Collateral and Financing Stipulations

UNITED STATES BANKRUPTCY COURT NORTHERN DISTRICT OF CALIFORNIA

GUIDELINES FOR CASH COLLATERAL AND FINANCING MOTIONS AND STIPULATIONS

A. Introduction

The following Guidelines for Cash Collateral and Financing Motions and Stipulations (“Guidelines”) are promulgated pursuant to B.L.R. 9029-1 and apply to uncontested motions or stipulations for the use of cash collateral (see Bankruptcy Code § 363(c)(2) and (3) and Fed. R. Bankr. P. 4001(b) and (d)) and to uncontested motions or stipulations for obtaining credit (see Bankruptcy Code § 364(c) and Fed. R. Bankr. P. 4001(c) and (d)).

B. Introductory Statement

Any motion or stipulation presented to the court for approval must include a completed Cash Collateral—Post-Petition Financing Introductory Statement (“Introductory Statement”), which shall not exceed three pages and shall be signed and certified by the Certifying Professional as provided herein.

The Introductory Statement for cash collateral motions and stipulations must summarize all material provisions of the motion or stipulation, including:

- the name of each entity with an interest in the cash collateral;
- the purposes for the use of the cash collateral;
- the terms, including duration, of the use of the cash collateral; and
- any liens, cash payments, or other adequate protection (including any protections afforded by Bankruptcy Code § 364) that will be provided to each entity with an interest in the cash collateral or, if no additional adequate protection is proposed, an explanation of why each entity’s interest is adequately protected.

Motions or stipulations for authority to obtain credit under Bankruptcy Code § 364 shall be accompanied by:

- a copy of the credit agreement;
- a proposed form of order; and
- the Introductory Statement, which must summarize all material provisions of the proposed credit agreement, including the amount of “new” money to be advanced, interest rate, maturity, events of default, liens, borrowing limits, and borrowing conditions.

C. Required Disclosures

If the motion, stipulation, proposed credit agreement or proposed order (either for use of cash collateral or for financing) includes any of the following provisions, the motion or stipulation shall describe the nature and extent of each provision, explain the reasons for each provision, and identify the specific location of the provisions in the proposed form of order, agreement, stipulation or other document:

1. The granting of priority or a lien on property of the estate pursuant to Bankruptcy Code § 364(c) or (d);
2. The providing of adequate protection or priority with respect to a claim that arose before the commencement of the case, including the granting of a lien on property of the estate to secure the claim, or the use of property of the estate or credit obtained under Bankruptcy Code § 364 to make cash payments on account of the claim;
3. A determination with respect to the validity, perfection, priority, or amount of a claim that arose before the commencement of the case, or of any lien securing such claim;
4. A waiver or modification of the provisions of the Bankruptcy Code or applicable rules relating to the automatic stay;
5. A waiver or modification of any entity's authority to file a plan, to seek an extension of time in which the debtor has the exclusive right to file a plan, or the right to request the use of cash collateral under Bankruptcy Code § 363(c), or to request authority to obtain credit under Bankruptcy Code § 364;
6. A waiver or modification of the applicability of nonbankruptcy law relating to the perfection of a lien on property of the estate, or on the foreclosure or other enforcement of the lien;
7. A release, waiver, or limitation on any claim or other cause of action belonging to the estate or the trustee, including any modification of the statute of limitations or other deadline to commence an action;
8. Indemnification of any entity;
9. A release, waiver, or limitation of any right under Bankruptcy Code § 506(c);
or
10. The granting of a lien on any claim or cause of action arising under Bankruptcy Code § 544, 545, 547, 548, 549, 553(b), 723(a), or 724(a).
11. Provisions for "carve-outs" for professionals' fees and expenses.

D. Application of Rule 9024

The court may grant appropriate relief under Fed. R. Bankr. P. 9024 if it determines that the Introductory Statement did not adequately disclose a material element of the motion, stipulation or agreement.

E. The court will not ordinarily approve the following:

1. Cross-collateralization clauses, i.e., clauses that secure prepetition debt by postpetition assets in which the secured party would not otherwise have a security

interest by virtue of its prepetition security agreement or applicable law. See Bankruptcy Code § 552. Also, “roll-ups,” i.e., such as provisions deeming pre-petition debt to be post-petition debt or using post-petition loans from a pre-petition secured creditor to pay part or all of that secured creditor’s pre-petition debt, other than as provided in Bankruptcy Code § 552(b), which deals with security interests in proceeds and profits. (See ¶¶ C.1, C.2)

2. Provisions or findings of fact that bind the estate or all parties in interest with respect to the validity, perfection or amount of the pre-petition secured party’s lien or debt. (See ¶ C.3)

3. Provisions or findings of fact that bind the estate or all parties in interest with respect to the relative priorities of the secured party’s lien and liens held by persons who are not party to the stipulation. (This would include, for example, an order approving a stipulation providing that the secured party’s lien is a “first priority” lien.) (See ¶ C.3)

4. Waivers of, or grants of lien on, rights under Bankruptcy Code § 506(c), unless the waiver or grant is effective only during the period in which the debtor is authorized to use cash collateral or borrow funds. (Otherwise a future trustee might be faced with a duty to care for and preserve collateral in the trustee’s possession and no financial means for discharging that duty.) (See ¶ C.9, C.10)

5. Provisions that operate, as a practical matter, to divest the debtor in possession or trustee of any discretion in the formulation of a plan or administration of the estate or limit access to the court to seek any relief under other applicable provisions of law. (See ¶ C.5)

6. Releases of, or limitations on, liability for the creditor’s alleged prepetition torts or breaches of contract. (See ¶ C.7)

7. Waivers of, or liens on any of the estate’s rights arising under Bankruptcy Code § 544, 545, 547, 548, 549, 553, 723(a), or 724(a), or the proceeds of any such rights. (See ¶ C.10)

8. Automatic relief from the automatic stay upon default, conversion to Chapter 7, or appointment of a trustee. (See ¶ C.4)

9. Waivers and modifications of the procedural requirements for foreclosure mandated under applicable non-bankruptcy law. (See ¶ C.6)

10. Waivers or limitations, effective on default or expiration, of the debtor in possession’s or trustee’s right to move for a court order pursuant to Bankruptcy Code 363(c)(2)(B) authorizing the use of cash collateral in the absence of the secured party’s consent. (See ¶ C.5)

11. Findings of fact on matters extraneous to the approval process. (For example, in connection with an application to borrow on a secured basis, a finding that the debtor cannot obtain unsecured credit would be acceptable if supported by competent evidence, whereas a “finding” that the lender acted in good faith in declaring the prepetition loan in default would not be acceptable.)

12. Provisions providing unreasonable treatment with respect to fees or professionals retained by a creditors' committee compared to any carve-outs provided for professionals retained by the debtor in possession or trustee. (See ¶ C.11)

13. Provisions that provide an inadequate carve-out for a subsequently appointed trustee in the case, whether before or after conversion. (See ¶ C.11)

F. The court will ordinarily approve the following:

1. Withdrawal of consent to use cash collateral or termination of further financing, upon occurrence of a default or conversion to Chapter 7.

2. Securing any postpetition diminution in the value of the secured party's collateral with a lien on postpetition collateral of the same type as the secured party had prepetition, if such lien is subordinated to the compensation and expense reimbursement (excluding professional fees) allowed to any trustee thereafter appointed in the case.

3. Securing new advances or value diminution with a lien on other assets of the estate, but only if the lien is subordinated to all the expenses of administration (including professional fees) of a superseding Chapter 7 case.

4. Reservations of rights under Bankruptcy Code § 507(b), unless the stipulation calls for modification of the Code's priorities in the event of a conversion to Chapter 7. (See Bankruptcy Code § 726(b))

5. Reasonable reporting requirements.

6. Reasonable budgets and use restrictions.

7. Expiration date for the stipulation.

G. Certification

Each unopposed motion or stipulation for the use of cash collateral or postpetition financing must include a certification signed by counsel for the debtor in possession or trustee ("Certifying Professional") regarding compliance with these Guidelines. The certification must appear as part of the Introductory Statement and be signed by the Certifying Professional. The certification is as follows:

Certification - The undersigned Certifying Professional has read the accompanying motion or stipulation and the Cash Collateral–Post-Petition Financing Introductory Statement; to the best of my knowledge, information and belief, formed after reasonable inquiry, the terms of the relief sought in the motion or stipulation are in conformity with the Court's Guidelines for Cash Collateral and Financing Motions and Stipulations except as set forth above. I understand and have advised the debtor in possession or trustee that the court may grant appropriate relief under Fed. R. Bankr. P. 9024 if the court determines that a material element of the motion or stipulation was not adequately disclosed in the Introductory Statement.

(Certifying Professional's Name)

**Exhibit II-6. Local Rule on Motion to Use Cash Collateral or Obtain Credit
(United States Bankruptcy Court for the Eastern District of Michigan)**

RULE 4001-2 Motion for Use of Cash Collateral or to Obtain Credit

(a) A motion to use cash collateral under 11 U.S.C. § 363(c)(2) or to obtain credit under 11 U.S.C. § 364(c) or (d) shall explicitly state the adequate protection offered the creditor and the moving party's position as to the value of each of the secured interests to be protected, and shall contain a summary of the other essential terms of the proposed use of cash collateral or post-petition credit, including, in the case of a motion to obtain credit under § 364(c) or (d), the interest rate, maturity date and a statement of the total amount of credit sought. Appraisals and projections, to the extent pertinent, shall be summarized in the motion.

(b) Except in Chapter 13 cases, the motion shall be filed with a cover sheet in the form attached as Appendix 1 to these rules. The requirement to identify the location in the proposed order of the provisions set forth in Appendix 1 is not to be construed as an approval of or prohibition against the inclusion of any such provisions in the order in any particular case. The Court will make such determination in each case based upon an assessment of all the facts and circumstances.

(c) If a debtor files a motion for the entry of an order approving an agreement to use cash collateral or to obtain credit on an expedited basis, the Court may enter the order without a hearing if:

- (1) the order is approved by all creditors who may have an interest in the cash collateral to be used or the credit to be extended, by the chairperson or attorney for each official committee and by the United States Trustee;
- (2) the order provides for the debtor to use cash collateral or to obtain credit in a maximum specified dollar amount necessary to avoid immediate and irreparable harm only until the earlier of a final hearing or the order becoming a final order;
- (3) the order provides for a final hearing, the date and time for which shall be filled in by the Court when the order is entered;
- (4) the order provides that the debtor shall, within 24 hours of its entry, serve a copy of the motion with its attachments and the order upon all parties who are required to be served under Bankruptcy Rule 4001(d);
- (5) the order provides:
 - (A) that objections to the order must be filed within 15 days from the entry of the order, except that an official committee may file objections within 15 days after it is served with the order;
 - (B) that upon filing of an objection, the final hearing will be held; and
 - (C) that if no objections are timely filed, the order may become a final order;and
- (6) the motion is accompanied by an affidavit or declaration of the debtor or a principal of the debtor stating the facts upon which the debtor relies in seek-

ing the entry of the order on an expedited basis, and the amount of money needed to avoid immediate and irreparable harm.

(d) If a debtor files a motion to use cash collateral or to obtain post-petition financing, but the debtor's pre-petition secured creditors have not consented to the relief sought in the motion, the Court may enter an interim order granting the relief requested on an expedited basis if:

- (1) the debtor has served a copy of the motion and proposed order, and a notice of the hearing on the motion, upon the non-consenting secured creditors in the manner set forth in Local Rule 9013-1;
- (2) the Court has held a hearing on the motion at which the non-consenting secured creditors were given an opportunity to be heard;
- (3) the order complies with each of the requirements of subparagraphs (c)(2)–(6) of this rule; and,
- (4) the Court makes a specific finding of fact that the protection offered to the non-consenting secured creditor is adequate and such adequate protection is incorporated into the interim order.

If the Court enters an interim order under this subparagraph over the objection of a secured creditor, or if a secured creditor does not appear at the hearing or object to the motion, such secured creditor will have the right to object to the interim order as provided in subparagraph (c)(5) of this rule.

(e) On timely motion, the Court may enlarge or reduce the time within which an objection must be filed, except that the Court may not reduce the time within which a non-consenting secured creditor must file an objection under subparagraph (c)(5) of this rule. In its discretion, the Court may schedule a hearing on the debtor's motion at any time, with such notice as it deems appropriate, provided such notice and hearing are consistent with subparagraph (d) of this rule.

APPENDIX 1

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
_____ DIVISION

IN RE: CASE NO.: _____

CHAPTER 11

DEBTOR : HON: _____

**COVER SHEET FOR MOTION TO USE CASH
COLLATERAL OR TO OBTAIN CREDIT**

The debtor has filed a motion to use cash collateral or to obtain postpetition financing, which is attached to this Cover Sheet. In accordance with LBR 4001-2(b) (E.D.M.), the debtor has identified below, by page and paragraph number, the location in the proposed order accompanying the motion of each of the following provisions:

Provision	Contained in Proposed Order	Location in Proposed Order
(1) Provisions that grant liens on the estate's claims and causes of action arising under Chapter 5 of the Code.	_____ Yes _____ No	Page __, ¶ __
(2) Provisions that grant cross-collateralization protection to the prepetition secured creditor (i.e., clauses that secure prepetition debt with categories of collateral that were not covered by the secured party's lien prepetition) other than liens granted solely as adequate protection against diminution in value of a prepetition creditor's collateral.	_____ Yes _____ No	Page __, ¶ __
(3) Provisions that establish a procedure or conditions for relief from the automatic stay.	_____ Yes _____ No	Page __, ¶ __
(4) Provisions regarding the validity or perfection of a secured creditor's prepetition liens or that release claims against a secured creditor.	_____ Yes _____ No	Page __, ¶ __

Provision	Contained in Proposed Order	Location in Proposed Order
(5) Provisions that prime any lien without that lien holder's consent.	_____ Yes _____ No	Page __, ¶ __
(6) Provisions that relate to a sale of substantially all of the debtor's assets.	_____ Yes _____ No	Page __, ¶ __
(7) Provisions for the payment of professional fees of the debtor or any committees, including any carve-outs for such payments.	_____ Yes _____ No	Page __, ¶ __
(8) Provisions for the payment of prepetition debt.	_____ Yes _____ No	Page __, ¶ __
(9) Provisions that waive the debtor's exclusive right to file or solicit acceptances of a plan during the time periods specified in 11 U.S.C. § 1121.	_____ Yes _____ No	Page __, ¶ __
(10) Provisions that require the debtor's plan to be on terms acceptable to the secured creditor.	_____ Yes _____ No	Page __, ¶ __
(11) Provisions that require or prohibit specific terms in the debtor's plan.	_____ Yes _____ No	Page __, ¶ __
(12) Provisions establishing that proposing a plan inconsistent with the order constitutes a default.	_____ Yes _____ No	Page __, ¶ __
(13) Provisions that waive surcharge under 11 U.S.C. § 506(c).	_____ Yes _____ No	Page __, ¶ __
(14) Provisions that address the rights and obligations of guarantors or co-obligors.	_____ Yes _____ No	Page __, ¶ __
(15) Provisions that prohibit the debtor from seeking approval to use cash collateral without the secured creditor's consent.	_____ Yes _____ No	Page __, ¶ __

Exhibits

Provision	Contained in Proposed Order	Location in Proposed Order
(16) Provisions that purport to bind a subsequent trustee.	<input type="checkbox"/> Yes <input type="checkbox"/> No	Page __, ¶ __
(17) Provisions that obligate the debtor to pay any of a secured creditor's professional fees.	<input type="checkbox"/> Yes <input type="checkbox"/> No	Page __, ¶ __

Date: _____

[Debtor's counsel]

Exhibit II-7. Sample Order Authorizing Payment of Prepetition Wage Claims

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE _____

In re _____)
) Case No. _____
) through _____
) inclusive _____
) Consolidated for _____
) Administration at _____
 Debtors _____)

**Order Authorizing Payment of Prepetition Wages,
Salaries, and Commissions, Reimbursement of Prepetition
Employees' Business Expenses and
Payment of Other Prepetition Employee Benefits**

Upon the foregoing application (the "Application") of the above-captioned debtors and debtors in possession (collectively, the "Debtors"); and no adverse interest being represented; and sufficient cause appearing therefor, it is

NOW, on motion of [debtors' attorney's name], counsel for Debtors,

ORDERED, that the Debtors be, and each of them hereby is, authorized and empowered to pay to their employees all wages, salaries and commissions (including holiday pay, contributions to thrift or other savings plans and all federal, state and local payroll-related taxes, deductions and withholdings pertaining to payments made pursuant to this order) which have accrued by virtue of the services rendered by the employees to the Debtors within the forty-five (45) days immediately prior to the filing of the Chapter 11 petitions (the "Filing Date"); and it is further

ORDERED, that the Debtors be, and each of them hereby is, authorized and empowered to pay, in the ordinary course of business and in accordance with existing policies and practices, vacation pay and sick pay on account of services rendered by employees to the Debtors, whether before or after the Filing Date; and it is further

ORDERED, that the Debtors be, and each of them hereby is, authorized and empowered to reimburse employees for all out-of-pocket business and business-related expenses whether incurred by them before or after the Filing Date in accordance with existing company policies and practices; and it is further

ORDERED, that the Debtors be, and each of them hereby is, authorized and empowered to pay to or for the benefit of active and laid-off employees the following claims and expenses whether incurred before or after the Filing Date:

1. all health, medical, dental, disability and death claims;
2. all premiums on policies of insurance pertaining thereto;
3. premiums on policies of travel and accident insurance; and

4. all costs and expenses incurred in connection with the servicing and processing of such claims whether the claims arose or accrued before or after the Filing Date;

and it is further

ORDERED, that the Debtors be, and each of them hereby is, authorized and empowered to continue to service and make all payments on or in connection with credit, savings, benefits and thrift plans, union dues and other wage or salary check-offs and deductions in accordance with the prior requests and instructions of their employees and past practices; and it is further

ORDERED, that [debtor's name] be, and each of them hereby is, authorized and empowered to pay severance pay (excluding severance pay under executive employment contracts or at the executive level but including severance pay as to non-executive employees who become entitled before the Filing Date), on account of services rendered by their employees, whether before or after the Filing Date, in the ordinary course of business and in accordance with existing policies and practices; and it is further

ORDERED, that [debtor's name] be and hereby is permitted to pay severance pay (excluding severance pay, under executive employment contracts or at the executive level but including severance pay as to non-executive employees who become entitled before the Filing Date), on account of services rendered by their employees, whether before or after the Filing Date, in the ordinary course of business and in accordance with existing policies and practices, with respect to any present employee who may be laid off post-petition, except that no severance pay for a period longer than three (3) months may be paid to any employee without further Order of Court.

Dated: _____

UNITED STATES BANKRUPTCY JUDGE

Exhibit II-8. Sample Order Appointing an Examiner

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS
EASTERN DIVISION

In re:	)	Case No. _____
	)	(Jointly Administered)
Divine, Inc., et al.,	)	Chapter 11
)	
)	
Debtors.)	
_____)	

ORDER GRANTING EXPEDITED RELIEF
ON OFFICIAL COMMITTEE OF UNSECURED CREDITORS' MOTION
FOR ORDER APPOINTING AN EXAMINER AND FOR RELATED RELIEF

Upon consideration of the Motion for Expedited Relief, filed January 22, 2004, of the Official Committee of Unsecured Creditors (the "Committee") of the above-referenced debtors and debtors in possession (collectively, "Divine") seeking an Order appointing An Examiner and for Related Relief (the "Motion"); and the Court having jurisdiction to consider the Motion and all relief requested therein, as well as all related proceedings; and due and sufficient notice of the Motion having been given under the circumstances; and the Court having convened a hearing at which counsel for all interested parties had an opportunity to appear and be heard; and good and sufficient cause appearing, the Court finds that the Motion should be, and thereby is, Granted. It is, therefore,

1. ORDERED that an Examiner be appointed for Divine in the captioned matter for the purposes set forth herein; and it is further
2. ORDERED that the United States Trustee for the District of Massachusetts, Eastern Division (the "United States Trustee"), shall timely file its Application for Order Approving the Appointment of an Examiner and a proposed Order thereon (the "UST Appointment Application Order"); and it is further
3. ORDERED that immediately upon the entry of the UST Appointment Application Order, the Examiner is authorized to investigate all potential claims and causes of action against the present and/or former officers and directors of Divine (the "Claims"); and it is further
4. ORDERED that, if the Examiner determines that Claims exist and should be brought the Examiner is authorized and is directed to provide appropriate notice of the Claims and, further, is authorized and directed and shall have standing to bring the Claims against officers and directors, after notice to and consultation with the Committee, by filing and prosecuting such Claims in such manner and in such forums as are necessary, or, in the alternative, the

Examiner, upon application and approval by the Court, may assign to the Committee the right to bring the Claims.

5. ORDERED that the Examiner shall have the duties, powers and responsibilities of an examiner under Section 1106(b) of the Bankruptcy Code; *provided, however*, that the scope of the Examiner's duties, unless expanded or limited by further order of this Court, shall be limited to the investigations and bringing of Claims as set forth herein; and it is further
6. ORDERED that the Examiner shall be a "party in interest" under Section 1109 of the Bankruptcy Code with respect to matters that are within the scope of the duties set forth in this Order and shall be entitled to appear at hearings held in these cases and to be heard at such hearing with respect to matters that are within the scope of the Examiner's duties; and it is further
7. ORDERED that nothing contained in this Order shall diminish the powers and authority of the Committee under the Bankruptcy Code, including the powers to investigate transactions and entities, commence contested matters and adversary proceedings, and object to claims, and it is further
8. ORDERED that neither communications between the Examiner and Debtor nor communications between the Examiner and the Committee shall be deemed a waiver of any attorney-client or work product privilege otherwise belonging to the Examiner, the Debtor or the Committee; and it is further
9. ORDERED that any and all objections to the relief granted herein are overruled; and it is further
10. ORDERED that this Court shall retain exclusive jurisdiction over any dispute concerning this Order.

SIGNED this ____ day of
February, 2004

THE HONORABLE JOAN N. FEENEY
UNITED STATES BANKRUPTCY JUDGE

Exhibit II-9. Sample Procedures for Interim Compensation and Reimbursement of Professionals

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND

at _____

In re: _____)
) Case No.
) (Chapter 11)
)
Debtor _____)

**ADMINISTRATIVE ORDER PURSUANT TO
11 U.S.C. §§ 105, 328, AND 331 ESTABLISHING PROCEDURES FOR
INTERIM COMPENSATION AND
REIMBURSEMENT OF PROFESSIONALS**

Upon consideration of the Motion of the above-captioned debtors and debtors-in-possession herein (collectively, the “Debtors”) for an administrative order pursuant to Sections 105, 328 and 331 of Title 11 of the United States Code (the “Bankruptcy Code”) establishing procedures for interim compensation and reimbursement of professionals (the “Motion”); and after consideration of any objections filed thereto, and any hearings held thereon; and appearing that adequate notice of the Motion was provided and that no further notice is necessary; and for good cause shown; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their creditors and the estates; it is this _____ day of _____, 20____, by the United States Bankruptcy Court for the District of Maryland, hereby

ORDERED, that, except as may otherwise be provided in Orders of this Court that authorized the retention of specific professionals on different terms, all professionals employed under Sections 327 or 1103 of the Bankruptcy Code (the Professionals) in these cases may seek interim compensation in accordance with the following procedures:

- a. No earlier than the fifteenth day, and no later than the last day, of each month following the month for which compensation is sought, each Professional will file with the Court and serve via facsimile, e-mail, overnight mail, or hand delivery, a monthly statement (the “Monthly Statement”) (Form CCP-5), together with (1) the cover page referenced in paragraph (k) below and (2) as an exhibit to each Monthly Statement, the detailed daily time entries and summaries of time normally submitted with an interim fee application (redacted as may be necessary and appropriate), as well as a detailed summary of all disbursements and expenses for which the Professional is seeking reimbursement (said detailed summary of all disbursements and expenses to be in conformity with paragraph C of Appendix D of the Local Bankruptcy Rules for the District of Maryland) on the following: (A) Debtors counsel, _____; (B) Office of the United

States Trustee, _____, Attention: _____; (C) counsel for any Committee appointed pursuant to Section 1102 of the Bankruptcy Code (the "Committees"); and [such other parties as the Court may direct] (collectively, the "Reviewing Parties").

b. In the event any of the Reviewing Parties has an objection to any portion of the Fees or Expenses sought in a particular Monthly Statement, based on a preliminary view that such fees and expenses are not properly allowable, they or it shall, on or before the fifteenth calendar day after the date of the filing of the Monthly Statement at issue, serve by facsimile, overnight mail or hand delivery upon the Professional whose Monthly Statement is objected to, and the other Reviewing Parties, a written "Notice of Objection to Fee Statement" setting forth, at a minimum, the specific items and amount of Fees and Expenses to which the Reviewing Party objects and the basis for the objection. Thereafter, the Professional can seek payment of objected-to Fees and Expenses through the Professional's next interim fee application, as described below;

c. If no objection to any respective Professional's Monthly Statement is served by the deadline set forth in paragraph (b) above, the Debtors shall pay the amount of such Fees and Expenses less a 20% Holdback of the Fees, not later than the fifteenth calendar day after the last day on which any objections to the Monthly Statement were to be served and filed in accordance with paragraph (b) above;

d. If an objection to any respective Professional's Monthly Statement is served by the deadline set forth in paragraph (b) above, the Debtors shall pay the amount of such Fees and Expenses requested in the Monthly Statement less any amount objected to and less a 20% Holdback of the Fees not objected to, by not later than the fifteenth calendar day after the last day on which any objections to the Monthly Statement were to be served and filed in accordance with paragraph (b) above. If following the service of an objection to a Monthly Statement the Professional and the party serving the objection are able to resolve their dispute in whole or in part, the Professional may serve on the Reviewing Parties a notice describing the terms of the resolution and the Debtors shall pay the balance of the Fees and Expenses no longer objected to (still applying a 20% Holdback as to Fees not subject to an objection) not later than the fifteenth calendar day after the date of service of the notice of resolution provided that such notice is served by facsimile, e-mail, overnight mail or hand delivery;

e. The first Monthly Statement submitted by a Professional under this Order shall cover all periods from the Petition Date through _____, and it may be filed no earlier than the 15th of the following month and no later than the end of the following month. Other than the first Monthly Statement submitted by each of the Professionals pursuant to this Order, each Monthly Statement will cover a single calendar month;

f. Neither an objection nor a failure to object shall prejudice a party's right to object to an interim or final fee application on any ground. Resolution of an objection shall not constitute a waiver of a party's right to object to an interim or fi-

nal fee application, nor shall it prejudice the right of a Professional to seek full allowance of the balance of all fees and expenses in an interim or final fee application.

g. The monthly Fees and Expenses paid pursuant to Monthly Statements under this Order shall not be deemed allowed or disallowed for purposes of Sections 330 or 331 of the Bankruptcy Code. Rather, for each “Fee Period” set forth in paragraph (i) below, each Professional shall file with the Court and serve on the Reviewing Parties an application for interim approval and allowance of the Fees and Expenses requested pursuant to Section 331 of the Bankruptcy Code (the “Interim Fee Applications”) and in conformity with Appendix D to the Local Bankruptcy Rules for the District of Maryland; and serve notice of the filing of such Interim Fee Application on those parties set forth in paragraph (a) above as well as parties who have requested notice pursuant to Federal Bankruptcy Rule 2002;

h. If a Professional fails to serve a Monthly Statement timely, said Professional may not incorporate it into the next Monthly Statement, but the Professional may seek said fees in the next Interim Fee Application;

i. Each professional shall file its first Interim Fee Application covering the period from the Petition Date through and including _____ on or before _____. Thereafter, each Interim Fee Application will cover one of three Fee Periods in each calendar year. An Objection to an Interim Fee Application shall be filed on or before the 25th day on the month following the filing and serving of the Interim Fee Application. The three Fee Periods (following the first Fee Period) and the deadlines for filing, or objecting to an Interim Fee Application for each such Fee Period, are as follows:

Fee Period	Deadline to File Interim Fee Application	Deadline to File Objection to Interim Fee Application
Jan. 1–Apr. 30	May 31	June 25
May 1–Aug. 30	September 30	October 25
Sept. 1–Dec. 31	January 31	February 25

j. If a Professional fails to file and serve an Interim Fee Application timely, then said Professional may incorporate said fees into the next Interim Fee Application, but the Professional may not receive payment on any intervening Monthly Statements until the next Interim Fee Application is filed;

k. Each Professional’s Monthly Statement and Interim Fee Application shall be divided into discrete service categories in conformity with Appendix D to the Local Bankruptcy Rules for the District of Maryland or as otherwise agreed upon by the United States Trustee and the Professional;

l. Each Monthly Statement and Interim Fee Application shall be accompanied by a summary sheet (Form CCP-6);

m. To the extent that any deadline set forth herein would fall on a Saturday, Sunday or “legal holiday,” as that term is defined by Federal Bankruptcy Rule 9006, such deadline shall be extended to the next day that is not a Saturday, Sunday or legal holiday;

n. If a Professional’s application to be employed is pending but has not yet been granted by the Court, said Professional shall nonetheless timely submit all Monthly Statements and Interim Fee Applications during such pendency; however, all payments under said Monthly Statements and Interim Fee Applications shall be held back by the Debtors pending approval by the Court of the employment of said Professional;

o. Upon the agreement of a Professional and an objecting party, a deadline for objecting to a Monthly Statement or an Interim Fee Application may be extended with respect to such Professional without further Order of the Court, provided that notice of such agreement is served on the other Reviewing Parties and, in the case of an objection to an Interim Fee Application, filed with the Court on or before the deadline. Except as otherwise set forth herein, the terms and provisions of this Order may only be modified or amended by further Order of the Court;

p. Where the Debtors’ Professionals utilize the services of a third-party copy service to reproduce and/or serve pleadings or other papers in these proceedings, the Debtor may directly pay (in advance or upon invoice) said third parties for said services, including among other things, any associated postage, overnight delivery or other charges, and thereafter report said expense on the Debtors’ monthly reports. Alternatively, said third-party copy service charges may be paid by the Debtors’ Professionals and included for reimbursement in their next Monthly Statement or Interim Fee Application; and it is further,

ORDERED, that all monthly Fees and Expenses paid pursuant to this Order shall be subject to the provisions of Sections 330 and 331 of the Bankruptcy Code. Further, such monthly Fees and Expenses are reviewable and subject to revision before and at the end of the cases in accordance with Section 330 of the Bankruptcy Code. In any proceedings conducted under Section 330, nothing contained in this Order shall be deemed to change the burden of proof under applicable law. The United States Trustee, the Debtors, the Committees, and other parties in interest may object to the final allowance under Section 330 of all or any part of the amounts requested, including those amounts already awarded and those subject to holdback.

United States Bankruptcy Judge

cc: Debtor’s Counsel
Office of the U.S. Trustee
Limited Service List
Applicant

Exhibit II-10. Local Forms for Fee Applications

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND

at _____

In re: _____) Case No.
) (Chapter 11)
)
)
Debtor)

**MONTHLY STATEMENT OF SERVICES RENDERED
AND EXPENSES INCURRED BY _____
FOR THE PERIOD _____ THROUGH _____**

Pursuant to the Administrative Order Pursuant to 11 U.S.C. §§ 105, 328, and 331 Establishing Procedures for Interim Compensation and Reimbursement of Professionals entered by the Court on _____, _____, counsel for _____, submits this Statement of Services Rendered and Expenses Incurred (the Statement) in this case for the period _____ through _____ (the Statement Period).

I. Itemization of Services Rendered by _____:

- A. The following summary of the hours spent for which applicant seeks compensation, the hourly rate for each attorney and legal assistant and the resulting fees are as follows:

SUMMARY

Name	Position	Hours	Hourly Rate	Fees Earned
Total				

- B. The time records of applicant are an exhibit consisting of a daily breakdown of the time spent by each person on each day, and detail as to the disbursements incurred.
- C. The blended hourly rate for all services during the Statement Period is \$_____ per hour.*

* The blended hourly billing rate per hour is derived by dividing the total fees of \$_____ by the total hours of _____.

II. The Maryland Guidelines for Fee Applications

A. In accordance with the Maryland Compensation Guidelines for Professionals, applicant has organized its detailed breakdown of time entries by tasks. For the Statement Period, the time entries are divided into the following “Task Categories”:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.

B. Itemization of Services Rendered and Disbursements Incurred by Category
The following itemization presents the services rendered by applicant by Task Categories and provides a summary of disbursements incurred by form of disbursement.

C. Services Rendered

The following services were rendered in the following Task Categories:

Task Category	Hours Fees Earned	
1.		\$
2.		
3.		
4.		
5.		
TOTAL		\$

A detailed itemization of the services rendered in each of the above Task Categories is set forth in the exhibit.

D. Disbursements Incurred

The disbursements incurred by applicant for this Statement are as follows:

[List Categories of Disbursements]	[Amount]
	\$
TOTAL	\$

E. Total Requested for Services Rendered and Disbursements Incurred

1. The total requested for services rendered and disbursements incurred, after adjusting for billing judgment, is as follows:

Total Requested for Services Rendered	\$
Total Requested for Disbursements	\$
TOTAL	\$

2. In the exercise of billing judgment, applicant has reduced the amount of fees requested herein for services rendered by \$ _____.
3. The amount payable for this Statement Period, after adjusting for the twenty percent (20%) holdback, is \$ _____.

Counsel respectfully requests that said amount be paid pursuant to the Court's Administrative Order.

Date: _____ Signed: _____

Signature of Professional

[Name, address, and telephone number of professional]

Client _____

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
at _____

In re: _____)
_____) Case No.
_____) (Chapter 11)
_____)
Debtor _____)

**[FIRST] MONTHLY APPLICATION OF _____ AS
COUNSEL FOR THE _____ FOR INTERIM
COMPENSATION AND REIMBURSEMENT OF EXPENSES INCURRED
FOR THE PERIOD _____ THROUGH _____**

Name of Applicant: _____

Authorized to Provide Professional Services to: _____

Date of Retention: _____

(Pursuant to Order dated _____)

Period for Which Compensation and Reimbursement is Sought: _____
Through _____

Amount of Compensation Sought as Actual, Reasonable and Necessary: \$ ____

Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary:
\$ _____

This is a: ____ monthly ____ interim ____ final application.

Date Signed: _____ Signature of Professional: _____

[Name, address, and telephone number of professional]

Client _____

Exhibit II-11. General Order Concerning Guidelines for Compensation and Expense Reimbursement

Local Bankruptcy Order 2000-7 OF THE UNITED STATES BANKRUPTCY
COURT FOR THE NORTHERN DISTRICT OF TEXAS

GUIDELINES FOR COMPENSATION AND EXPENSE REIMBURSEMENT OF PROFESSIONALS

Effective January 1, 2001

NOTICE

The following are guidelines governing the most significant issues related to applications for compensation and expense reimbursement. The guidelines cover the narrative portion of an application, time records, and expenses. It applies to all professionals with the exception of chapter 7 and chapter 13 trustees, but is not intended to cover every situation. All professionals are required to exercise reasonable billing judgment, notwithstanding total hours spent.

If, in a chapter 11 case, a professional to be employed pursuant to section 327 or 1103 of the Bankruptcy Code desires to have the terms of its compensation approved pursuant to section 328(a) of the Bankruptcy Code at the time of such professional's retention, then the application seeking such approval should so indicate and the Court will consider such request after an evidentiary hearing on notice to be held after the United States trustee has had an opportunity to form a statutory committee of creditors pursuant to section 1102 of the Bankruptcy Code and the debtor and such committee have had an opportunity to review and comment on such application. At a hearing to consider whether a professional's compensation arrangement should be approved pursuant to section 328(a), such professional should be prepared to produce evidence that the terms of compensation for which approval under section 328(a) is sought comply with the certification requirements of section I.G.(3) of these guidelines.

I. NARRATIVE

A. Employment and Prior Compensation. The application should disclose the date of the order approving applicant's employment and contain a clear statement itemizing the date of each prior request for compensation, the amount requested, the amount approved, and the amount paid.

B. Case Status. With respect to interim requests, the application should briefly explain the history and the present posture of the case, including a description of the status of pending litigation and the amount of recovery sought for the estate.

In chapter 11 cases, the information furnished should describe the general operations of the debtor; whether the business of the debtor, if any, is being operated at a profit or loss; the debtor's cash flow; whether a plan has been filed, and if not, what

the prospects are for reorganization and when it is anticipated that a plan will be filed and a hearing set on the disclosure statement.

In chapter 7 cases, the application should contain a report of the administration of the case including the disposition of property of the estate; what property remains to be disposed of; why the estate is not in a position to be closed; and whether it is feasible to pay an interim dividend to creditors.

In both chapter 7 and chapter 11 cases, the application should state the amount of money on hand in the estate and the estimated amount of other accrued expenses of administration. On applications for interim fees, the applicant should orally supplement the application at the hearing to inform the Court of any changes in the current financial status of the debtor's estate since the filing of the application. All retainers, previous draw downs, and fee applications and orders should be listed specifying the date of the event and the amounts involved and drawn down or allowed.

With respect to final requests, applications should meet the same criteria except where a chapter 7 trustee's final account is being heard at the same time, the financial information in the final account need not be repeated.

Fee applications submitted by special counsel seeking compensation from a fund generated directly by their efforts, auctioneers, real estate brokers, or appraisers do not have to comply with the above. For all other applications, when more than one application is noticed for the same hearing, they may, to the extent appropriate, incorporate by reference the narrative history furnished in a contemporaneous application.

C. Project Billing. This is required in all cases where the applicant's professional fee is expected to exceed \$10,000.00. The narrative should be categorized by subject matter, and separately discuss each professional project or task. All work for which compensation is requested should be in a category. Miscellaneous items may be included in a category such as "Case Administration." The professional may use reasonable discretion in defining projects for this purpose, provided that the application provides meaningful guidance to the Court as to the complexity and difficulty of the task, the professional's efficiency, and the results achieved. With respect to each project or task, the number of hours spent and the amount of compensation and expenses requested should be set forth at the conclusion of the discussion of that project or task. In larger cases with multiple professionals, efforts should be made by the professionals for standard categorization.

D. Billing Summary. Hours and total compensation requested in each application should be aggregated and itemized as to each professional and paraprofessional who provided compensable services. Dates of changes in rates should be itemized as well as reasons for said changes.

E. Paraprofessionals. Fees may be sought for paralegals, professional assistants and law clerks only if identified as such and if the application includes a resume or summary of the paraprofessional's qualifications.

F. Preparation of Application. Reasonable fees for preparation of a fee application and responding to objections thereto may be requested. The aggregate number of hours spent, the amount requested, and the percentage of the total request which the

amount represents must be disclosed. If the actual time spent will be reflected and charged in a future fee application, this fact should be stated, but an estimate provided, nevertheless.

G. Certification. Each application for compensation and expense reimbursement must contain a certification by the professional designated by the applicant with the responsibility in the particular case for compliance with these guidelines (“Certifying Professional”) that (1) the Certifying Professional has read the application; (2) to the best of the Certifying Professional’s knowledge, information and belief, formed after reasonable inquiry, the compensation and expense reimbursement sought is in conformity with these guidelines, except as specifically noted in the application; and (3) the compensation and expense reimbursement requested are billed at rates, in accordance with practices, no less favorable than those customarily employed by the applicant and generally accepted by the applicant’s clients.

H. Interim Compensation Arrangements in Complex Cases. In a complex case, the Court may, upon request, consider at the outset of the case approval of an interim compensation mechanism for estate professionals that would enable professionals on a monthly basis to be paid up to 80% of their compensation for services rendered and reimbursed up to 100% of their actual and necessary out of pocket expenses. In connection with such a procedure, if approved in a particular complex case, professionals shall be required to circulate monthly billing statements to the U.S. Trustee and other primary parties in interest, and the Debtor in Possession or Trustee will be authorized to pay the applicable percentage of such bill not disputed or contested by a party in interest.

II. TIME RECORDS

A. Time Records Required. All professionals, except auctioneers, real estate brokers, and appraisers, must keep accurate contemporaneous time records.

B. Increments. Professionals are required to keep time records in minimum increments no greater than six minutes. Professionals who utilize a minimum billing increment greater than 1 hour are subject to a substantial reduction of their requests.

C. Descriptions. At a minimum, the time entries should identify the person performing the service, the date(s) performed, what was done, and the subject involved. Mere notations of telephone calls, conferences, research, drafting, etc., without identifying the matter involved, may result in disallowance of the time covered by the entries.

D. Grouping of Tasks. If a number of separate tasks are performed on a single day, the fee application should disclose the time spent for each such task, i.e., no “grouping” or “clumping.” Minor administrative matters may be lumped together where the aggregate time attributed thereto is relatively minor. A rule of reason applies as to how specific and detailed the breakdown needs to be. For grouped entries, the applicant must accept the Court inferences there from.

E. Conferences. Professionals should be prepared to explain time spent in conferences with other professionals or paraprofessionals in the same firm. Relevant explanation would include complexity of issues involved and the necessity of more in-

dividuals' involvement. Failure to justify this time may result in disallowance of all, or a portion of, fees related to such conferences.

F. Multiple Professionals. Professionals should be prepared to explain the need for more than one professional or paraprofessional from the same firm at the same court hearing, deposition, or meeting. Failure to justify this time may result in compensation for only the person with the lowest billing rate. The Court acknowledges, however, that in complex chapter 11 cases the need for multiple professionals' involvement will be more common and that in hearings involving multiple or complex issues, a law firm may justifiably be required to utilize multiple attorneys as the circumstances of the case require.

G. Travel Time. Travel time is compensable at one-half rates, but work actually done during travel is fully compensable.

H. Administrative Tasks. Time spent in addressing, stamping and stuffing envelopes, filing, photocopying or "supervising" any of the foregoing is generally not compensable, whether performed by a professional, paraprofessional, or secretary.

III. EXPENSES

A. Firm Practice. The Court will consider the customary practice of the firm in charging or not charging non-bankruptcy/insolvency clients for particular expense items. Where any other clients, with the exception of pro-bono clients, are not billed for a particular expense, the estate should not be billed. Where expenses are billed to all other clients, reimbursement should be sought at the least expensive rate the firm or professional charges to any client for comparable services or expenses. It is recognized that there will be differences in billing practices among professionals.

B. Actual Cost. This is defined as the amount paid to a third-party provider of goods or services without enhancement for handling or other administrative charge.

C. Documentation. This must be retained and made available upon request for all expenditures in excess of \$50.00. Where possible, receipts should be obtained for all expenditures.

D. Office Overhead. This is not reimbursable. Overhead includes: secretarial time, secretarial overtime (where clear necessity for same has not been shown), word processing time, charges for after-hour and weekend air conditioning and other utilities, and cost of meals or transportation provided to professionals and staff who work late or on weekends.

E. Word Processing. This is not reimbursable.

F. Computerized Research. This is reimbursable at actual cost. For large amounts billed to computerized research, significant explanatory detail should be furnished.

G. Paraprofessional Services. These services may be compensated as a paraprofessional under § 330, but not charged or reimbursed as an expense.

H. Professional Services. A professional employed under § 327 may not employ, and charge as an expense, another professional (e.g., special litigation counsel employing an expert witness) unless the employment of the second professional is approved by the Court prior to the rendering of service.

I. Photocopies (Internal). Charges must be disclosed on an aggregate and per-page basis. If the per-page cost exceeds \$.20, the professional must demonstrate to the satisfaction of the Court, with data, that the per-page cost represents a good faith estimate of the actual cost of the copies, based upon the purchase or lease cost of the copy machine and supplies therefor, including the space occupied by the machine, but not including time spent in operating the machine.

J. Photocopies (Outside). This item is reimbursable at actual cost.

K. Postage. This is reimbursable at actual cost.

L. Overnight Delivery. This is reimbursable at actual cost where it is shown to be necessary. The court acknowledges that in complex chapter 11 cases overnight delivery or messenger services may often be appropriate, particularly when shortened notice of a hearing has been requested.

M. Messenger Service. This is reimbursable at actual cost where it is shown to be necessary. An in-house messenger service is reimbursable, but the estate cannot be charged more than the cost of comparable services available outside the firm.

N. Facsimile Transmission. The actual cost of telephone charges for outgoing transmissions is reimbursable. Transmissions received are reimbursable on a per-page basis. If the per-page cost exceeds \$.20, the professional must demonstrate, with data, to the satisfaction of the Court, that the per-page cost represents a good faith estimate of the actual cost of the copies, based upon the purchase or lease cost of the facsimile machine and supplies therefor, including the space occupied by the machine, but not including time spent in operating the machine.

O. Long Distance Telephone. This is reimbursable at actual cost.

P. Parking. This is reimbursable at actual cost.

Q. Air Transportation. Air travel is expected to be at regular coach fare for all flights.

R. Hotels. Due to wide variation in hotel costs in various cities, it is not possible to establish a single guideline for this type of expense. All persons will be required to exercise reasonable discretion and prudence in connection with hotel expenditures.

S. Meals (Travel). Reimbursement may be sought for the reasonable cost of breakfast, lunch and dinner while traveling.

T. Meals (Working). Working meals at restaurants or private clubs are not reimbursable. Reasonable reimbursement may be sought for working meals only where food is catered to the professional's office in the course of a meeting with clients, such as a Creditors' Committee, for the purpose of allowing the meeting to continue through a normal meal period.

U. Amenities. Charges for entertainment, alcoholic beverages, newspapers, dry-cleaning, shoeshine, etc., are not reimbursable.

V. Filing Fees. These are reimbursable at actual cost.

W. Court Reporter Fees. These are reimbursable at actual cost.

X. Witness Fees. These are reimbursable at actual cost.

Y. Process Service. This is reimbursable at actual cost.

Z. UCC Searches. These are reimbursable at actual cost.

Exhibit II-12. Order Establishing Fee Application Procedure and Fee Guidelines

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OKLAHOMA

IN RE:)	
	)	Case No. 98-05162-R
COMMERCIAL FINANCIAL	)	Chapter 11
SERVICES, INC. and)	
)	
CF/SPC NGU, INC.,	)	Case No. 98-05166-R
	)	Chapter 11 Jointly
Debtors.	)	Administered
	)	with Case No. 98-05162-2

**ORDER ESTABLISHING FEE APPLICATION PROCEDURE AND FEE
GUIDELINES FOR PROFESSIONALS**

This matter comes on before the Court *sua sponte*. A status conference and a case management conference were held on January 5, 1999, wherein the Court accepted comments from counsel regarding a procedure for applying for professional fees and expenses. The Court FINDS that good cause exists for establishing an orderly and uniform procedure for professionals seeking compensation and reimbursement of expenses from the estate.

Further, because of the size and complexity of the case, the possibility of numerous appeals, the number of professionals retained or to be retained by the estate, and the existence of various committees and creditors whose counsel may seek compensation from the estate for services benefiting the estate, the Court finds that good cause exists for establishing fee guidelines in order to (1) encourage professional to cooperate with other professionals in making assignments of tasks with the goal of minimizing duplication of efforts and cost to the estate; (2) inform professionals in advance as to the categories of fees and expenses the Court generally will or will not allow to be paid from the estate so that professionals may make informed decisions in the course of their employment; and (3) promote more expedient, beneficial and meaningful fee applications.

IT IS THEREFORE ORDERED that the Fee Application Procedure and Fee Guidelines set forth below are applicable and shall be followed in this case.

FEE APPLICATION PROCEDURE

1. Budgets

All professionals seeking to be employed by the estate shall file with the Court a projected quarterly budget. Quarterly budgets shall be filed and served on the 15th day of each March, June, September and December for the subsequent calendar quarter for as long as the professional remains employed by the estate. Each pro-

jected budget shall contain descriptions of services to be rendered and expenses to be incurred, the approximate dates and anticipated costs of such services and expenses, and a description of any actual expense incurred or service performed (or not performed) that deviated significantly from budgeted expenses or service. Budgets shall be served upon the Debtor-in-Possession and all persons and entities listed on the most recent Master Service List.

2. Allocation of Work and Preparation of Billing Statements

- a. **Least Costly Means of Obtaining Desired Result.** Professional shall allocate the work to be performed by members of their firms in accordance with the best interests of their clients and shall exercise billing judgment especially with regard to time spent in inter- or intra-office communications, research, revision and editing. Work shall be assigned so as to obtain reliable results in the most economic fashion possible. **The rate charged for the service shall correspond to the expertise necessary to perform the task, rather than the ordinary rate charged by the person performing it.**
- b. **Rules and Procedures Applicable to Preparation of Billing Statements.** Billing statements submitted to the Debtor-in-Possession and attached to the fee application shall comply in all respects with the applicable provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Rules of this Court, the Guidelines for Compensation of Professionals prepared by the Office of the United States Trustee, and the Fee Guidelines set forth below in this Order. To the extent possible, all professionals shall coordinate to establish uniform category designations for areas of representation in which more than one professional participates.
- c. **Apportionment Between and Among Different Estates.** Professionals may apply for compensation only in connection with the scope of representation set forth in the application for retention, as modified by the retention order. Professionals authorized to perform services for more than one debtor shall apportion fees and expenses between such estates according to the relative benefit to each estate.

3. Fee Applications

- a. **Interim fee applications.** Professionals shall file interim applications for the allowance and payment of fees and expenses pursuant to 11 U.S.C. § 331 every 120 days. All allowances of interim fees and expenses are subject to the Court's review of the same upon submission of a final fee application pursuant to 11 U.S.C. § 330.
- b. **Review of Proposed Application.** Before filing an application for allowance and payment of compensation and reimbursement of expenses, the professional seeking compensation and/or reimbursement shall submit **a proposed application** and supporting billing statements (the "Proposed Application") to the Debtor-in-Possession, the Assistant United States Trustee and the Creditors' Committee(s) (the "Reviewing Entities") for review and comment. The professional and the Reviewing Entities shall confer in good faith to at-

tempt to clarify ambiguities and resolve objections to the Proposed Application.

- c. **Apportionment Between and Among Different Estates.** Professionals may apply for compensation only in connection with the scope of representation set forth in the application for retention, as modified by the retention order. Professionals authorized to perform services for more than one debtor shall apportion fees and expenses between estates according to the relative benefit to each estate.
- d. **Service of Notice of Hearing on Fee Application.** All Fee Applications will be set for hearing. Prior to filing the Fee Application, the professional/applicant should call [courtroom deputy, phone number] to obtain a hearing date for the Fee Application. The Fee Application submitted for filing shall be accompanied by a “Notice of the Filing of (Interim/Final) Fee Application and Notice of Opportunity for Hearing,” which Notice shall contain the following: (1) the contents of a “Notice of Hearing on Compensation” required by Bankruptcy Rule 2002(c)(2); (2) a statement that the Fee Application is available for inspection and copying at the office of the professional/applicant (or its designated copy service), giving the address and telephone number of the professional/applicant (or its designated copy service); and (3) the following language in bold type:

You are hereby notified that you have until _____, 1999 (specific date calculated as seven days prior to the hearing date) to file a written response or objection to the relief requested in the above-described Fee Application. If no response or objection is timely filed, the Court may grant the requested relief without further notice.
- e. **Reviewing Party in Interest.** The “Notice of the Filing of (Interim/Final) Fee Application and Notice of Opportunity for Hearing” shall be served upon the Master Service List at least 20 days prior to the date set for hearing, pursuant to Bankruptcy Rule 2002(a)(6).
- f. **Objections.** A Reviewing Entity or any other party in interest having unresolved objections must file a **written objection** to the Fee Application at least seven (7) days prior to the date of the hearing on the Fee Application, or the objection may not be heard. The objection must identify the charges in dispute with sufficient specificity to direct the Court to the relevant page(s) and line item(s) at issue, state the reason for the objection, and provide any relevant legal authority. **Objections to the Fee Application shall be served upon the professional/applicant, the Reviewing Entities and the Master Service List.**
- g. **Resolution of Objections.** In the event that an objection is resolved prior to the hearing, the professional/applicant shall immediately advise [courthouse deputy, phone number] and file a short supplement describing the modification to the Fee Application, if any, resulting from the resolution of the written objection. If the resolution results in no change to the Fee Application, the objecting party shall immediately file a pleading withdrawing its objection.

FEE GUIDELINES

These Fee Guidelines supplement the Bankruptcy Code and Rules, the relevant and binding case law interpreting the Bankruptcy Code and Rules, and the United States Trustee Guidelines, all of which apply in this case.

Criteria for Evaluating Fee Applications

The Court will consider the following criteria in evaluating Fee Applications filed in the case:

1. **Hourly Rates.** The primary criterion used to evaluate the reasonableness of the hourly rate charged will be the amount reasonably charged by a person possessing the skill, experience and expertise **required to perform the given task**. As stated in the Fee Application Procedures, **the rate charged for the service shall correspond to the expertise necessary to perform the task, rather than the ordinary rate charged by the person performing it**. The Court will consider the human resources of the firm seeking compensation (and the resources of local counsel, if applicable), including the availability of para-professionals, in determining an hourly rate appropriate for a task. Professionals shall consider this rule when exercising billing judgment in preparation of the billing statement.
2. **Locality.** Professionals and para-professionals may charge hourly rates consistent with those charged by a practitioner in the professional's geographic area possessing education, experience, expertise, and skills commensurate with the professional and para-professional seeking compensation. Local prevailing rates must be demonstrated by competent evidence at the hearing on the Fee Application.
3. **Travel Time.** Travel time will be compensated at the professional's regular hourly rate unless the professional is performing services for and billing another client during the travel time, in which case the professional will not be compensated for the time billed to another client. In light of the availability of telephone conferences, e-mail, facsimile transmission and other sophisticated communications technology that substantially reduces the necessity of being present in the locality where business is being transacted, the Court will compensate only **one** professional for travel time unless a showing is made that more than one professional was required for the meeting, court appearance or other event for which travel time is sought. The restriction on compensation for travel time does not necessarily restrict compensation for more than one professional working on a task if the task requires more than one professional.
4. **Duplication of Services.** Compensation will not be allowed for duplication of services. For instance, only those professionals who materially participate in a hearing will be compensated for the hearing, unless a showing is made as to why a second professional was required. The availability of local counsel, local counsel's human resources, and local counsel's familiarity with the issue will be considered.

5. **Billing Judgment.** A professional shall exercise billing judgment in presenting its Fee Application. The Court cannot determine whether billing judgment was exercised unless all services and expenses are included in the Fee Application presented to the Court; therefore, a professional shall make the Court aware of its billing judgment by indicating in the Fee Application the services that were performed but for which no compensation is sought. Examples of “no charge” entries include services that were not productive, excessive or duplicative, and services which primarily benefited another party or the professional, rather than the estate (not including Fee Applications, however).
6. **Expenses.** Copying costs shall be limited to \$.20 per page if copying is performed in-house, or the actual cost if copying is performed by a service. Reimbursement of in-coming fax costs shall be limited to \$.20 per page; out-going faxes will be reimbursed at actual cost. Absent a showing of necessity, overnight or courier service delivery will not be a reimbursable expense.

SO ORDERED this 7th day of January, 1999

DANA L. RASURE, CHIEF JUDGE
UNITED STATES BANKRUPTCY COURT

Exhibit III-1. Sample Scheduling Order

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS

In re:	)	Chapter
	)	Case No. JNF
Debtors)	
)	
Plaintiff	)	Adversary Proceeding
	)	No.
v.)	
)	
Defendant)	
)	

PRETRIAL ORDER

1. The parties are ordered to confer pursuant to Fed. R. Civ. P. 26, made applicable to this proceeding by Fed. R. Bankr. P. 7026, within 45 days of the date of this order and to file no later than _____, a certification that the Rule 26(f) conference has taken place, as well as a written report outlining a proposed discovery plan.
2. Discovery shall be completed on or before _____, unless the court, upon appropriate motion and consideration of the discovery plan, alters the time and manner of discovery.
3. The Parties are ordered to file by _____, a Joint Pretrial Memorandum approved by all counsel and unrepresented parties, which shall set forth the following:
 - (A) The name and, if not previously provided, the address and telephone number of each witness, separately identifying those whom the party expects to present and those whom the party may call if the need arises.
 - (B) A list of witnesses whose testimony is expected to be presented by means of a deposition and, if not taken stenographically, a transcript of the pertinent portions of the deposition testimony.
 - (C) A list of witnesses intended to be called as experts, together with a statement as to an objection to their qualification.
 - (D) An appropriate identification of each document or other exhibit, other than those to be used for impeachment, in the sequence in which they will be offered, including summaries of other evidence, separately identifying those which the party expects to offer and those which the party may offer if the need arises.
 - (E) A statement of any objections, together with the grounds therefor, reserved as to the admissibility of a deposition designated by another party and to the

Exhibits

admissibility of documents or exhibits. Objections not so disclosed, other than an objection under Rules 402 and 403 of the Federal Rules of Evidence, shall be deemed waived unless excused by the court for good cause shown.

- (F) A statement confirming that the parties have exchanged copies of the exhibits.
 - (G) Facts which are admitted and which require no proof.
 - (H) The issues of fact which remain to be litigated (evidence at the trial shall be limited to these issues).
 - (I) The issues of law to be determined.
 - (J) A statement summarizing the Plaintiff's case.
 - (K) A statement summarizing the Defendant's case.
 - (L) The estimated length of the trial.
- 4. Any dispositive motions must be filed no less than seven business days prior the date fixed for the filing of the Joint Pretrial Memorandum or the relief sought in such motion shall be deemed to have been waived.
 - 5. Failure to strictly comply with all of the provisions of this order may result in the automatic entry of a dismissal or a default as the circumstances warrant in accordance with Fed. R. Civ. P. 16, made applicable to this proceeding by Fed. R. Bankr. P. 7016.
 - 6. A pretrial conference or trial shall be scheduled after the filing of the Joint Pretrial Memorandum.

By the Court,

Joan N. Feeney
United States Bankruptcy Judge

Date:
cc:

Exhibit III-2. Sample Discovery Order

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re	)	Case No. 01-30923 DM
)	
PACIFIC GAS AND ELECTRIC	)	Chapter 11 Case
COMPANY,)	
)	
	)	ORDER RE: DISCOVERY
	)	PROTOCOL AND
Debtor.	)	<u>SCHEDULING</u>
)	
Federal I.D. No. 94-0742640)	

Pursuant to Title 11 of the United States Code, Section 105, and Rules 7026(b)(2) and 9014 of the Federal Rules of Bankruptcy Procedure (“FRBP”), the Court adopts the following Discovery Protocol in connection with confirmation proceedings concerning the Plan of Reorganization Under Chapter 11 of the Bankruptcy Code for Pacific Gas & Electric Company (“PG&E”) (dated April 19, 2002) filed by PG&E and Corp., on March 7, 2002 (the “PG&E Plan”), and the California Public Utilities Commission’s Plan of Reorganization Under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company filed by the California Public Utilities Commission on April 15, 2002 (the “CPUC Plan”). For purposes herein, PG&E and co-proponent PG&E Corporation (“Corp.”) are collectively referred to as the “PG&E Plan Proponents”¹ and each of PG&E, Corp. and the California Public Utilities Commission (“CPUC” or the “Commission”) are each individually referred to as a “Proponent” and are collectively referred to as the “Proponents.”

Discovery procedures set forth in the Federal Rules of Bankruptcy Procedure shall be available only to the Proponents, the Official Committee of Unsecured Creditors (the “Committee”), the United States Trustee (“UST”) and to those persons or entities, other than the Proponents, who timely filed and served objections to confirmation of either or both the PG&E Plan or the CPUC Plan in compliance with this Court’s May 20, 2002, Scheduling Order (“Objectors”). Objectors who object to the PG&E Plan are referred to herein as “PG&E Plan Objectors,” and Objectors who object to the CPUC Plan are referred to herein as “CPUC Plan Objectors.” The Proponents, the Committee, UST and the Objectors are collectively referred to herein as the “Parties.” Any Party which is not a Proponent is referred to herein as a “Nonproponent.”

1. For purposes of this Discovery Protocol, the PG&E Plan Proponents shall be considered one Party.

A. DEPOSITION PROTOCOL

The following protocol shall apply to depositions:

1. Counsel for the Committee, Milbank, Tweed, Hadley & McCloy, LLP (“Committee Counsel”), shall be responsible for coordinating the scheduling of all percipient and expert depositions and the Parties shall follow the Discovery Scheduling Procedure set forth in Exhibit A hereto in addition to the provisions of this Order.
2. Each Party shall notify Committee Counsel and the other Proponents of the date, time and location the witnesses it intends to call at trial will be available for deposition in accordance with the schedule set forth in Sections B & C below.
3. Except in circumstances where a deposition is sought by a Nonproponent not also by a Proponent or unless otherwise agreed by the Proponent that is not affiliated with the deponent, the examination of each non-expert deponent shall begin with one seven-hour day of questioning by that Proponent (for purposes of this Protocol, time taken for a lunch break during a deposition is not counted against the seven-hour period, however time taken for other reasonable breaks during a deposition is counted against the seven-hour period). If a deposition of a non-expert deponent is sought by a Nonproponent and not also by a Proponent, the examination of such non-expert deponent shall begin with questioning by the Nonproponent seeking the deposition. Only Parties and their agents, or anticipated expert witnesses and their agents, may attend depositions, and Parties shall participate in such depositions only in accordance with the Discovery Scheduling Procedure set forth in Exhibit A hereto.
4. Normally, the Court expects that non-expert depositions will conclude within two seven-hour days per witness, provided, however, that further time is permitted when necessary.
5. All Parties should attempt to coordinate their questioning of deponents, and should avoid using multiple examiners to cover similar subject matter.

B. DISCLOSURE OF NON-EXPERT WITNESSES

1. No later than August 15, 2002, Proponents shall file and serve on all other Parties a disclosure identifying the name, title and business address of each non-expert witness the Party intends to call at trial. On or before September 16, 2002, a Proponent may file and serve a supplemental designation of non-expert witnesses whom the Proponent in good faith determined after August 15, 2002, that it intends to call at trial. For each witness identified by a Proponent, the Proponent’s disclosure shall also include a brief summary of the subject matter of such witness’ expected testimony. No later than August 22, 2002, Proponents shall provide information concerning the availability for deposition of those non-expert witnesses identified on August 15, 2002. Availability for deposition of Proponents’ non-expert witnesses identified thereafter shall be provided at the same time they are identified.
2. No later than September 16, 2002, Nonproponents shall file and serve on all other Parties a disclosure identifying the name, title and business address of each non-expert witness the Party intends to call at trial. On or before October 28, 2002, a Nonproponent may file and serve a supplemental designation of non-expert witnesses whom the Nonproponent in good faith determined after September 16, 2002, that it

intends to call at trial. For each witness identified by a Nonproponent, the Nonproponent's disclosure shall also include a brief summary of the subject matter of such witness' expected testimony. No later than September 23, 2002, Nonproponents shall provide information concerning the availability for deposition of those non-expert witnesses identified on September 16, 2002. Availability for deposition of Nonproponents' non-expert witnesses identified thereafter shall be provided at the same time they are identified.

C. EXPERT WITNESS DISCLOSURES

The following expert witness disclosures shall be made in addition to the service and filing of written direct testimony of expert witnesses, which shall be scheduled at a later date:

1. The CPUC and any other Party intending to offer direct expert testimony in support of the CPUC Plan at the confirmation hearing shall serve the disclosures required under FRBP 7026(a)(2)(A) & (B) with respect to such experts, together with a statement indicating the date, time and location such expert will be available for deposition, on all other Parties no later than September 20, 2002.

2. The PG&E Plan Proponents and any other Party intending to offer expert testimony to rebut or contradict the testimony of an expert disclosed pursuant to Section C.1 above or otherwise in opposition to confirmation of the CPUC's Plan shall serve the disclosures required under FRBP 7026(a)(2)(A) & (B) with respect to such experts, together with a statement indicating the date, time and location such expert will be available for deposition, on all other Parties no later than October 4, 2002.

3. The CPUC shall serve the disclosures required under FRBP 7026(a)(2)(A) & (B) with respect to the testimony of any expert witness it intends to offer solely to rebut or contradict the testimony of a non-rebuttal expert disclosed pursuant to Section G2 above, together with a statement indicating the date, time and location such expert will be available for deposition, on all other Parties no later than October 14, 2002.

4. The PG&E Plan Proponents and any other Party intending to offer direct expert testimony in support of the PG&E Plan at the confirmation hearing shall serve the disclosures required under FRBP 7026(a)(2)(A) & (B) with respect to such experts, together with a statement indicating the date, time and location such expert will be available for deposition, on all other Parties no later than October 18, 2002.

5. The CPUC and any other Party intending to offer expert testimony to rebut or contradict the testimony of an expert disclosed pursuant to Section C.4 above or otherwise in opposition to confirmation of the PG&E Plan shall serve the disclosures required under FRBP 7026(a)(2)(A) & (B) with respect to such experts, together with a statement indicating the date, time and location such expert will be available for deposition, on all other Parties no later than October 29, 2002.

6. The PG&E Plan Proponents shall serve the disclosures required under FRBP 7026(a)(2)(A) & (B) with respect to the testimony of any expert witness they intend to offer solely to rebut or contradict the testimony of a non-rebuttal expert disclosed pursuant to Section C.5 above, together with a statement indicating the date, time and

location such expert will be available for deposition, on all other Parties no later than November 8, 2002.

D. OTHER DISCOVERY MECHANISMS

1. Demands for Inspection. A Party may propound demands for inspection of documents on any other Party; however, a Party may respond in writing to any duplicative demands for inspection by reference to previous responses and objections, and shall not be required to produce documents responsive to duplicative requests if the non-privileged responsive documents have previously been made available to the Parties in a data room or document repository. Any Party may elect to produce documents by making them available for inspection and copying at a data room or document repository in San Francisco, California.

2. Subpoenas for Documents. Subject to the limitations on such discovery provided under the Federal Rules of Bankruptcy Procedure, any Party may subpoena documents from a person or entity that is not a Party.

3. Other Written Discovery.

(a) The total number of requests for admission that may be propounded by a Party on any other Party shall not exceed 25. Subparts to requests shall count against the limit of 25 requests.

(b) The total number of written interrogatories that may be propounded by a Party on any other Party shall not exceed 25. Subparts to interrogatories shall count against the limit of 25 interrogatories.

4. Service of Written Discovery. Subject to any limitations set forth in an applicable protective order, all written discovery requests propounded by Parties as well as any written responses thereto shall be served on all Parties at the time such request or response is made.

5. Written Discovery Cut Off. No Party may propound written discovery after October 8, 2002.

E. SCOPE OF DISCOVERY

Proponents, the Committee and the U.S. Trustee may seek discovery regarding any matter, not privileged, that is relevant to the Court's consideration of the PG&E Plan or the CPUC Plan. Each Objector may seek discovery relevant to any matter, not privileged, raised in its written objections to either the PG&E Plan or the CPUC Plan. This provision shall be liberally construed in favor of a broad scope of discovery.

F. INTERIM PROTECTIVE ORDER

The Proponents shall serve their proposed form(s) of protective order on all Parties on or before August 26, 2002, and the Court will hold a hearing regarding the entry of a protective order on September 4, 2002, at 1:30 p.m. Until such time as the Court enters a protective order governing the use and dissemination of information produced or furnished in discovery in the above-captioned action or September 26,

2002, whichever is earlier, all documents, written discovery responses, and deposition testimony produced or furnished in the above-captioned action in response to any deposition notice, subpoena or other discovery request related to plan confirmation proceedings and which has been labeled by a Party with the designation “Confidential—*In re Pacific Gas and Electric Co.*, Na. 01 30923 DM (Bankr. N.D. Cal.) or otherwise designated “Confidential” by a Party (collectively, “Confidential Confirmation Discovery Information”) shall be used by Parties receiving such Confidential Confirmation Discovery Information solely for the purpose of conducting litigation of the above-captioned action and for no other purpose whatsoever. No Party may disseminate Confidential Confirmation Discovery Information to any other person who is not also a Party, except that a Party may provide Confidential Confirmation Discovery Information to consultants, expert witnesses or other agents it has retained for purposes of the above-captioned litigation who have received a copy of this Protocol and executed a copy of Exhibit B hereto, which executed copy counsel of record for such Party shall retain.

G. DISCOVERY DISPUTES

If any dispute arises concerning discovery, the Parties shall try first to resolve such dispute in good faith on an informal basis. If the dispute cannot be so resolved, the Party seeking to obtain the discovery may request the Court to schedule a telephonic conference concerning the dispute. A Party requesting such a conference should contact [courtroom deputy, phone number], to obtain a date and time. Any dispute arising between October 4 and October 18, 2002, will be handled by Chief Judge Edward Jellen. A Party requesting a telephonic conference during that time period should contact [judge’s judicial assistant, phone number].

As soon as a telephonic conference is scheduled, the Party requesting the conference shall provide the Court (and Chief Judge Jellen at U.S. Bankruptcy Court, 1300 Clay Street, Second Floor, Oakland, CA 94612, during the dates indicated above) with a written summary of the dispute and a confirmation of the date and time of the telephonic conference, with copies served promptly on all other Parties by e-mail or facsimile. If a Party desires to transmit the letter to the Court via facsimile, the Party should request from the Courtroom Deputy or Judicial Assistant permission to fax the letter directly to chambers.

The Court will make telephonic conference arrangements with Court Conference Center and all Parties desiring to participate on the conference should follow the procedures for telephonic conferences as published on the Court’s website at <http://www.canb.uscourts.gov>, click on Pacific Gas and Electric Company Chapter 11 Case, then Instructions for Telephonic Appearances.

H. MODIFICATIONS OF DISCOVERY PROCEDURES

Any Party seeking relief from or modification to any provision of this Order shall try first to obtain agreement, which agreement if reached shall be binding without further order of the Court (except for changes to the hearing, status conference, and trial dates referenced herein), from the Parties who would be affected by such relief

or modification. If an agreement cannot be reached in good faith on an informal basis, the Party seeking such relief or modification may bring the matter to the Court's attention by contacting the Courtroom Deputy by telephone or by writing a letter to the Court. Such requests for relief or modification shall be granted by the Court upon reasonable and appropriate notice and a showing of good cause.

I. FURTHER STATUS CONFERENCE

The Court will convene a further status conference on Wednesday, September 25, 2002, at 9:30 a.m. to discuss procedures for the confirmation trial.

J. TRIAL DATE

The confirmation trial shall commence on Tuesday, November 12, 2002.

IT IS SO ORDERED.

Date: August 23, 2002

HONORABLE DENNIS MONTALI
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

Discovery Scheduling Procedure

1. Deposition discovery in this proceeding shall be scheduled pursuant to the procedures set forth herein and in the Court's Order Re: Discovery Protocol and Scheduling dated August 2002 ("Discovery Protocol"). Terms used herein shall have the same meanings as in the Discovery Protocol. The Discovery Coordinator shall be the firm of Milbank, Tweed, Hadley and McCloy, counsel to the Official Creditors' Committee. The primary contact for the Discovery Coordinator shall be [name].

2. For the purpose of this Paragraph, a "presumptive deponent" means an individual who (a) is listed on at least one filed witness list, or (b) submits an expert report or declaration. Also for the purposes of this Paragraph, "under the control of" means (a) employed by or otherwise serving as an agent to, or (b) anticipated to serve as a fact or expert witness on behalf of.

a. The Plan Proponents shall make reasonable efforts to reach agreement with each other on deposition schedules for presumptive deponents under their control. When a deponent is not under the control of a Plan Proponent, the Plan Proponents and the Party under whose control the deponent is found shall make reasonable efforts to reach agreement on a deposition schedule for that presumptive deponent.

b. If one or more Parties seek the deposition of another Party or of another person who is not a presumptive deponent, the Parties seeking the deposition and the deponent or, if applicable, the Party under whose control the deponent is found, shall make reasonable efforts to reach agreement on a deposition schedule for that person.

c. In the event that either (i) the relevant Parties cannot reach agreement on a deposition schedule pursuant to subparagraphs 2.a or 2.b above, or (ii) other deposition scheduling disputes arise, any Party involved in the dispute may ask the Discovery Coordinator to resolve the dispute, and the Discovery Coordinator shall make reasonable efforts to do so if asked. Subject to Paragraph 3 below, the Discovery Coordinator shall not schedule a deposition pursuant to this Paragraph 2.c such that the Parties do not receive at least 10 days' notice through the Deposition Calendar.

d. The schedule for all depositions in this proceeding shall be posted on a Deposition Calendar maintained by the Discovery Coordinator and available to all Parties herein through a website at www.milbank.com/clientweb (the "Deposition Calendar Website"), to which all Parties will have password access provided by the Discovery Coordinator. Once the availability of a deponent is provided as described in Sections B and C of the Discovery Protocol or an agreed deposition schedule for a deponent is proposed pursuant to subparagraphs 2.a or 2.b above, the Parties establishing the schedule shall give notice to the Discovery Coordinator pursuant to paragraph 8 below of such scheduling. Subject to Paragraph 3 below, such notice must be received by the Discovery Coordinator at least 11 days before the deposition is scheduled. The Discovery Coordinator shall post the scheduled deposition on the Deposition Calendar within 24 hours of either (i) receipt of such notice or (ii) the Discovery Coordinator's own scheduling of the deposition pursuant to subparagraph 2.c.

3. If extraordinary circumstances require that a deposition be scheduled on less than 10 days' notice to the Parties through the Deposition Calendar website, then in addition to posting the deposition on the Deposition Calendar website, the Discovery Coordinator shall give notice to all Parties of the scheduled deposition by email at the same time the deposition is posted.

4. Once a deposition appears on the Deposition Calendar, any other Party seeking to put questions to the deponent shall indicate through the Deposition Calendar website that it desires to do so and shall provide an estimated time for its examination and a description of the subject matter of such examination. Except with respect to a deposition scheduled pursuant to Paragraph 3 above, such indications must be made no later than the close of business Pacific Coast time the fourth business day before the deposition is to commence, or else the Party will not have the right to put questions to the deponent during the deposition. In the event of a deposition scheduled pursuant to Paragraph 3 above, the Party will provide its time estimate and subject matter description by 5 p.m. Pacific Coast time at least two days prior to the deposition commencement date. A Party intending to put questions to the deponent shall attend the deposition (in person or telephonically) on the day the Discovery Coordinator sets for that Party's examination, beginning at the commencement of that day's examination.

5. Any Party wishing to attend any deposition in person without asking questions may do so without notice. As a matter of professional courtesy to the Party hosting the deposition, however, a Party intending to attend in person without asking questions shall whenever possible indicate in advance that it intends to do so through the Deposition Calendar website, ideally no later than the close of business Pacific Coast time the fourth business day before the deposition is to commence.

6. Alternatively, a Party not seeking to ask questions may attend a deposition telephonically. Any Party wishing to attend telephonically shall indicate the name(s) of the individual person(s) who will attend telephonically through the Deposition Calendar website no later than the close of business Pacific Coast time the second business day before the deposition is to commence, or else the party will not have the right to attend the deposition telephonically. To those Parties indicating in a timely fashion their intent to participate telephonically, the Discovery Coordinator shall provide call-in instructions by e-mail no later than the close of business Pacific Coast time the business day before the deposition is to commence. Any Party attending telephonically shall ensure that speech or other sounds from his or her office are not audible while the deposition proceedings are on the record, through use of a "mute" button or any other effective means.

7. The Discovery Coordinator shall assign time for each participant to ask questions at any deposition and shall post the time assigned to each party on the Deposition Calendar website no later than 48 hours before the deposition is to commence. The Discovery coordinator may request that any witness be made available for additional days if it does not appear that it is possible to reasonably accommodate all persons wishing to interrogate within the originally scheduled time period.

8. Any notice to the Discovery Coordinator may be given to [name] by email at [email address], by facsimile at [fax number], or by mail at [address]. Oral notice to the discovery coordinator shall not be effective.

9. All discovery herein shall be governed by the Discovery Protocol, and the Discovery Coordinator shall have no power to alter the terms of the Discovery Protocol.

EXHIBIT B

**AGREEMENT TO BE BOUND BY SECTION F
OF DISCOVERY PROTOCOL**

I, the undersigned, _____ (print or type name),
of _____ (business/residence address)
hereby acknowledge that I have received a copy of the Order Re: Discovery Protocol
(the "Order") entered on _____, 2002, in the matter entitled *In Re*
Pacific Gas and Electric Company, United States Bankruptcy Court, Northern Dis-
trict of California (the "Court"), Case No. 01 30923 DM.

I have read and understand the Order and agree to be bound, to the same extent as
a Party, by all the provisions of Section F of the Order concerning the use and dis-
semination of Confidential Confirmation Discovery Information as that term is used
in the Order.

I consent to personal jurisdiction over me by the Court for purposes of enforcing
the Order. I declare under penalty of perjury under the laws of the United States that
the foregoing is true and correct, and that this Agreement was executed on this
____ day of _____, 2002, at _____.

Exhibit III-3. Sample Order Requiring Presentation of Evidence by Declaration

TRIAL BY DECLARATION

by
BARRY RUSSELL
U.S. Bankruptcy Judge

The attached “Order re Presentation of Evidence by Declarations for Court Trial . . .” concerns a procedure which I have been using for several years with excellent results, in my opinion, for Court trials. The second introductory paragraph of the Order states:

The purpose of this procedure is to ensure a fair and expeditious trial. The procedure is similar to a motion for summary judgment, except that the admissibility of a declaration is dependent upon the presence of the declarant at trial subject to cross-examination.

Using this procedure, I have been able to try matters that would normally take one to two weeks in one-half to one or two days. Since almost all direct testimony is admitted into evidence by the witnesses’ declarations, the in-court time for this testimony is generally eliminated. This procedure does not work well unless both sides are represented by counsel.

Because counsel are forced to carefully prepare the declarations that are admissible under the Federal Rules of Evidence, I have found the declarations to be very brief and far more direct than if the direct testimony were given orally in open court. I have also found that cross-examination is much shorter and frequently waived. I believe this may be due in part to the fact that many attorneys feel compelled to cross-examine witnesses, especially when the client is present in Court, and after the other side’s counsel has spent considerable time questioning its witnesses on direct examination.

This procedure is most beneficial to the Judge’s needs. In addition to saving a great deal of time, I have found that I am much better prepared to decide the matter. By requiring that briefs be filed with the declarations, I am often ready to decide the matter on the declarations submitted prior to trial. That is to say, in many trials (usually the more simple matters) both sides submit on the declarations without any cross-examination and without argument (they have already argued in the pretrial briefs).

Naturally, to make the procedure work, the Judge must take the time to read the declarations and the briefs prior to trial. This can be done at the Judge’s leisure, either in Chambers or at home relaxing by the pool, etc. An additional benefit is that by requiring the parties to be fully prepared, they often settle matters which I believe would otherwise have gone to trial.

The following comments relate to specific suggestions I have concerning certain aspects of the attached Order.

1. DECLARATIONS:

(a) Since this is a trial, the admissibility of evidence is governed by the Federal Rules of Evidence. I have found that “hearsay” and “irrelevant” are by far the most frequent objections and are easily determined by this procedure. Try not to waste your time by hearing arguments on these unless you are really unsure. In any case, you will decide the relevancy when you render your decision. I would suggest generally overruling objections relating to the form of the answer as opposed to those objections relating to substance. I have found that very few objections of any kind are made to the declarations, and the objections made are easily decided.

(b) Some counsel may hold back evidence that should have been in their declarations as part of their case-in-chief and claim it is merely rebuttal. If you strictly enforce your Order they will soon learn that you will not tolerate such attempts to circumvent your Order. I would stress this and other points at a status hearing with all counsel present.

(c) Requiring exhibits to be attached to the declaration makes the reading of the declaration easier and more understandable. You may have to modify this requirement if there are a large number of exhibits. In that case, the declarant should refer to the exhibits which should be provided to the Court and counsel as part of the Pretrial Order.

(d) The filing of a declaration by counsel, concerning witnesses for whom declarations cannot be obtained, helps to reduce surprises and is important for the Judge and opposing counsel to be aware of all the evidence to be presented by both sides.

(e) It is important to strictly adhere to the requirements of the Order. If a declarant does not appear at the trial, the declarant’s declaration may not be introduced into evidence. The decision to continue the trial because of an unavailable witness is the same as it would be at a trial without declarations.

In the beginning you may encounter some counsel, as I have, who don’t believe you mean it and will appear at trial with witnesses for whom they have not served and/or filed declarations. If you comply with your Order and refuse to allow the witnesses to testify, that particular counsel and others will quickly realize that you really mean it.

2. TIME FOR FILING DECLARATIONS, ETC.:

I generally set the time for filing the declarations so that the last one is filed two weeks before the trial or pretrial hearing. I usually give the plaintiff about three to four weeks to file its declarations; defendant, two to three weeks to file its reply declarations; and the plaintiff, one to two weeks to reply. Any evidentiary objections must be filed with that party’s declarations with the defendant filing its objections, if any, to plaintiff’s reply declarations, at least one week before trial or pretrial.

3. TIME FOR FILING BRIEFS:

I don't order the filing of briefs, but I do order that if they are filed, they may only be filed in accordance with the Order. Almost all counsel file briefs and it is nice not to have them handed to you as you start the trial.

4. PRETRIAL ORDERS:

I almost always, except in the simplest matters when everyone knows what is in-issue, require a Pretrial Order. In Los Angeles, we have a Local Rule which spells out the requirements. Many Judges issue their own order. In either case, I require the Pretrial Order to be filed on the same date as the plaintiff's declarations. I do that to force the parties to get together as soon as possible.

5. SETTING OF TRIAL OR PRETRIAL:

I generally order the reply declarations to be filed two weeks prior to trial. If I don't have a good idea how long the trial will take, I set it for a pretrial hearing with the reply declarations to be filed two weeks before the hearing. I have found it helps to emphasize to counsel that you will try their two day trial in one hour, or their one week trial in one-half a day. There is no need for opening statements, and closing arguments should be kept to a minimum unless the cross-examinations have revealed new facts.

I would advise issuing your Order at a status hearing with all counsel present to orally emphasize those points you wish to emphasize, and to answer any questions of counsel. This is especially important when you first initiate this procedure.

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA

In re:	)	Chapter_____
)	
	)	BK. NO._____ BR
)	
	)	ADV. NO._____ BR
)	
Debtor(s)	)	ORDER REPRESENTATION OF
_____	)	EVIDENCE BY DECLARATION FOR
	)	COURT TRIAL; FILING JOINT
	)	PRETRIAL ORDER PURSUANT TO
	)	LOCAL RULE 7016- 1
	)	Date:
	)	Time:
Plaintiff(s)	)	Place: Courtroom 1668
	)	255 E. Temple Street
	)	Los Angeles, CA 90012
Defendant(s))	
_____)	

The following procedures are to be followed for the presentation of evidence to be offered at the trial of the above-entitled proceeding on _____.

The purpose of this procedure is to ensure a fair and expeditious trial. The procedure is similar to a motion for summary judgment, except that the admissibility of a declaration is dependent upon the presence of the declarant at trial subject to cross-examination.

1. DECLARATIONS:

- (a) Except as herein provided, each party shall present the testimony of all its witnesses through declarations of said witnesses, under penalty of perjury, otherwise admissible under the Federal Rules of Evidence.
- (b) The only oral testimony which may be offered at trial by a party through its witnesses will be **STRICTLY** limited to rebuttal testimony.
- (c) If a portion of a witness' declaration concerns an exhibit to be admitted into evidence at trial, the exhibit must be attached to the declaration.
- (d) If a party is unable to obtain a declaration of a witness, counsel for that party shall file a declaration stating the name of the witness and a detailed summary of the expected testimony and why counsel was unable to obtain the witness' declaration.

Failure to make every reasonable effort to obtain the declaration of any such witness will result in the exclusion of any oral testimony of such witness offered by the party.

If a party intends to present the witness' testimony by a transcript of a deposition of the witness only those portions of the transcript intended to be offered, should be attached to its counsel's declaration.

- (e) The declaration of a witness for a party will be admissible at trial, subject to timely objections, and if the declarant is present at trial, and subject to cross-examination.

2. TIME FOR FILING DECLARATIONS AND OBJECTIONS TO DECLARATIONS:

- (a) Plaintiff shall serve and file its declaration(s) on or before _____.
- (b) Defendant shall serve and file its declaration(s) and any evidentiary objections it has to plaintiff's declaration(s) on or before _____.
- (c) Plaintiff shall serve and file its reply declaration(s) and any evidentiary objections it has to defendant's declaration(s) on or before _____.
- (d) Defendant shall serve and file any evidentiary objections to plaintiff's reply declaration(s) on or before _____.
- (e) NO OTHER DECLARATIONS WILL BE ALLOWED. The only additional evidence a party may offer at trial is **TRUE** rebuttal evidence.

3. TIME FOR FILING BRIEFS:

If a party wishes to file a trial brief(s), such brief(s) must be filed with the party's declaration(s). A party may file its brief(s) at the time(s) designated for filing its declarations(s), even though the party chooses not to file a declaration(s). **NO OTHER BRIEFS WILL BE ALLOWED.**

4. PRETRIAL ORDER:

The parties shall file a joint pretrial order pursuant to Local Rule 7016-1 on or before _____.

IT IS SO ORDERED.

Dated: _____

BARRY RUSSELL
U.S. Bankruptcy Judge

Exhibit III-4. Local Rule on Omnibus Objections to Claims

Delaware Local Bankruptcy Rule 3007-1

Omnibus Objections to Claims

(a) Scope of Rule. This Local Rule applies to any objection to the allowance of a claim under an omnibus objection (i.e., an objection to claims asserted by more than one claimant) (“Objection”).

(b) Effect of Rule. In addition to complying with those sections of the Code and those rules of the Fed. R. Bankr. P. generally applicable to an objection to the allowance of a claim, any objection shall comply with the information and certification requirements listed in Local Rule 3007-1(c)-(f).

(c) Filed v. Scheduled Claim. If a claim has been scheduled on the debtor’s schedules of liabilities and is not listed as disputed, contingent or unliquidated and a proof of claim has not been filed under Fed. R. Bankr. P. 3003, 3004 and/or 3005, the debtor may not object to the claim. Instead, the debtor must amend the schedules under Fed. R. Bankr. P. 1009 and provide notice as required by Local Rule 1009-2.

(d) Substantive v. Nonsubstantive Objections. An Objection is deemed to be on a substantive basis unless it is based on one or more of the following:

(i) A duplicate claim; provided, however, that a claim filed against two different debtors is not a duplicate claim unless the cases have been substantively consolidated by order of the Court;

(ii) A claim filed in the wrong case;

(iii) An amended or superseded claim;

(iv) A late filed claim;

(v) A claim filed by a shareholder based on ownership of stock; provided, however, that an objection with respect to a claim filed by a shareholder for damages shall be deemed a substantive Objection;

(vi) A claim without any supporting documents attached thereto; provided, however, that if a claim has attached to it any supporting documents regardless of content, then the Objection shall be deemed substantive;

(vii) A claim that is objectionable under 11 U.S.C. § 502(e)(1); and

(viii) Incorrect classification of a claim; provided, however, that an Objection based on incorrect classification of a claim (A) is separately filed, (B) provides in its title (or otherwise conspicuously states) that substantive rights may be affected by this Objection and by any further Objection that may be filed and (C) otherwise complies with these Local Rules.

(e) General Requirements for Objections.

(i) Objection. Each Objection shall conform to the following requirements:

(A) Each Objection shall be filed as either substantive or non-substantive, but not both. A particular claim may be subject to both a substantive and a non-substantive objection;

(B) The title of the Objection shall clearly state whether the objection is on substantive or non-substantive grounds;

(C) Objections shall be numbered consecutively regardless of basis, i.e., 1st Omnibus (books and records), 2nd Omnibus (duplicate claims); not 1st Omnibus (books and records), 1st Omnibus (duplicate claims);

(D) Exhibit(s) of claims to which the Objection relates, which exhibit(s) shall be consistent with Local Rule 3007-1(e)(iii), must be attached to the Objection; and

(E) The Objection shall also contain a statement by the objector or the objector's counsel that the Objection complies with this Local Rule.

(ii) Affidavit or Declaration. If an affidavit or declaration is filed in support of the Objection, it shall state that the information contained in the exhibit is true and correct to the best of the objector's knowledge and belief.

(iii) Exhibits.

(A) Each exhibit attached to an Objection shall include, at a minimum, the information identified in the following table, with such information entered in the respective boxes as appropriate:

(1) Name of Claimant	(2) Claim Number	(3) Claim Amount	(4) Reason for Disallowance

(B) Each exhibit shall contain only those claims to which there is one common basis for objection (e.g., exhibit A duplicate claims; exhibit B amended or superseded claims).

(C) A claim for which there are two or more bases for objection (e.g., a claim that is both duplicative and late filed) shall be referenced on each applicable exhibit.

(D) Each exhibit shall have the claims listed alphabetically by the last name of the claimant (in the case of an individual) or the name of the entity (in the case of a corporation, partnership, limited liability company, etc.).

(E) If an Objection seeks to reduce the amount of a claim, a column shall be added between columns (3) & (4) titled "Modified Claim Amount" and column (4) shall be changed from "Reason for Disallowance" to "Reason for Modification."

(1) Name of Claimant	(2) Claim Number	(3) Claim Amount	Modified Claim Amount	(4) Reason for Modification

Exhibits

(F) If an Objection seeks to change the classification of a claim, two columns shall be added between columns (3) & (4) titled “Claim Classification Status” and “Modified Classification Status” and column (4) shall be changed from “Reason for Disallowance” to “Reason for Reclassification.”

(1) Name of Claimant	(2) Claim Number	(3) Claim Amount	Claim Classification Status	Modified Classification Status	(4) Reason for Reclassification

(G) If an Objection seeks to change the priority of a claim, two columns shall be added between columns (3) & (4) titled “Claim Priority Status” and “Modified Priority Status” and column (4) shall be changed from “Reason for Disallowance” to “Reason for Modification.”

(1) Name of Claimant	(2) Claim Number	(3) Claim Amount	Claim Priority Status	Modified Priority Status	(4) Reason for Modification

(H) If an Objection seeks to expunge amended or duplicate claims, the title of column (2) shall be changed from “Claim Number” to “Remaining Claim Number” and a column shall be added between columns (2) & (3) titled “Duplicate or Amended Claim to be Expunged.”

(1) Name of Claimant	(2) Remaining Claim Number	Duplicate or Amended Claim to be Expunged	(3) Claim Amount	(4) Reason for Disallowance

(I) If an Objection seeks to expunge late filed claim, a column shall be added between columns (1) & (2) titled “Date Claim Filed.”

(1) Name of Claimant	Date Claim Filed	(2) Claim Number	(3) Claim Amount	(4) Reason for Disallowance

(J) Where the Objection is based on substantive grounds, the exhibit must include a claim-specific declaration in the column titled “Reason for Disallowance” giving sufficient detail as to why the claim should be disallowed. The following are examples of “sufficient detail” necessary to sustain an objection on a substantive basis:

(1) If the claim is against a non-debtor entity, then the non-debtor entity must be identified;

(2) If the claim has been paid or satisfied prepetition (not postpetition), then the check number and the date the check was issued must be identified (an objection to a claim on the basis that the claim has been paid or satisfied postpetition is not a valid objection);

(3) If the claim includes a postpetition claim, then the date the postpetition claim arose must be identified; and

(4) If the Objection is based on the debtor’s lack of any books and records relating to the claim, then the objector must state, by affidavit or declaration, that the objector has made reasonable efforts to research the claim on the debtor’s books and records.

(iv) Proofs of Claim. If the Objection is non-substantive, then copies of the proofs of claim need not be provided to the Court, except that proofs of claim relating to an Objection based on Local Rule 3007-1(d)(vi) (i.e., a claim without any supporting documents) shall be provided to the Court as set forth in Local Rule 3007-1(e)(iv)(A)–(C). When the Objection is substantive, a copy of the proofs of claim and all supporting documentation shall be provided to the Court as follows:

(A) Proofs of claim shall be in a binder and separated by tabs;

(B) Proofs of claim shall be in the order as listed in the exhibit(s), with additional tabs indicating to which exhibit the claims relate; and

(C) At least two (2) weeks before the hearing on the Objection, a Notice of Submission of Proofs of Claim is to be filed and delivered to the respective Judge’s chambers with copies of the claims (with all attachments) along with the Objection to those claims. The Notice of Submission of Proofs of Claim stating that the claims have been delivered to chambers and that copies can be requested from objector’s counsel shall be served upon all parties requesting notice under Fed. R. Bankr. P. 2002.

(v) Notice of Objection to Claim Holder. Each claim holder whose rights are affected by an Objection shall receive a “Notice of Objection to Claim” that shall conform to Local Form 113 or a copy of the Objection.

(f) Requirements Relating to Substantive Objections.

(i) Each Objection that is based on substantive grounds shall contain no more than 150 claims, unless the Court orders otherwise.

(ii) No more than two substantive Objections may be filed each calendar month, unless the Court orders otherwise.

(iii) An Objection based on substantive grounds shall include all objections to each claim on substantive grounds. Under Fed. R. Bankr. P. 7015, an Objection can be amended; provided, however, that if an Objection to a particular claim is based upon insufficient documentation and is deemed substantive by virtue of Local Rule 3007-1(d)(vi), and the claimant filed a response to the Objection and provided additional documentation or other information, then the Objection (solely as it relates to the claimant’s additional documentation or other information) may be amended without written consent or leave of Court.

(iv) The Court will not consider any substantive Objection to personal injury or wrongful death claims that would be in violation of 28 U.S.C. § 157(b)(2)(B).

(g) Pro Se. Any claimant may participate pro se (and telephonically) at a hearing on an Objection to his or her claim by following the telephonic appearance procedures located on the Court’s website.

(h) Hearings on Objections. Hearings on objections may ordinarily be held on the regularly scheduled omnibus hearing dates in chapter 11 cases, consistent with these Local Rules. When the Court determines that the hearing on a particular claim Objection will require substantial time for the presentation of argument and/or evidence, then the Court, in its discretion, may reschedule the hearing on that claim for a different hearing date and time. The parties may also request that a separate hearing on an Objection(s) based on substantive grounds be separately scheduled for a date and time convenient to the Court and the parties.

Exhibit III-5. Sample Order on Omnibus Objections to Claims

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND

at _____

In re:	)	Case No.
	)	(Chapter 11)
)	
)	
Debtor)	
)	

ORDER FOR COMPLEX CHAPTER 11 BANKRUPTCY CASE

This bankruptcy case was filed on _____. A Request for Designation as Complex Chapter 11 Case was filed. After review of the initial pleadings filed in this case, the Court concludes that this appears to be a Complex Chapter 11 Case and issues this scheduling order, subject to rescission, revision, or modification as provided below:

10. **Procedures for Omnibus Objection to Claims:** Where the Debtor (or other party in interest) files an Omnibus Objection to Claims, the following procedures will apply:

- a. The Objection shall include an alphabetical list of creditors whose claims are objected to together with a cross-reference to the claim number of each such claim. If the objection to a claim is based on more than one ground, the alphabetical list shall include a cross-reference to the location of each ground within the omnibus objection.
- b. If the Objection is on a non-substantive basis that is clearly apparent from the claims docket (e.g., duplicate claims, amended or suspended claims, late-filed claims), copies of the proofs of claim need not be provided to the Court.
- c. Where the Objection is that the proof of claim does not contain any invoices or other documents supporting the claim, a declaration to that effect (together with a hard copy of the proof of claim) shall be filed with the Court at the time the Objection is filed.
- d. Without leave of court, no omnibus objection to claims is permitted on substantive grounds. A separate objection to each claim is required.
- e. At least 48 hours before the hearing on an Objection based on substantive grounds, a Notice of Submission of Copies of Proofs of Claim is to be filed stating that copies of the claims together with any attachments have been delivered to chambers and that copies can be requested from the Debtor's counsel.

Exhibits

- f. Any claimant may request to participate telephonically in a hearing on an Objection to proofs of claim by calling the courtroom deputy at least 24 hours prior to the scheduled hearing time. If more than one party is appearing, the Debtor's counsel shall conference all interested parties and place on call to the Court.
- g. Where a hearing on an Objection to a claim will involve substantial time, the Court may schedule it for a separate hearing date.

Exhibit III-6. Sample Order Establishing a Procedure for Resolution of Contested Claims

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO

In re)
) Case No.
)
)
 Debtors)

Order Establishing Procedure for the Resolution of Contested Claims

The Debtors herein have filed their objections to the claims of certain of the creditors and given notice of their objections to the creditors. Many of the creditors have objected to the proposed resolution of their claims and have requested hearings thereon. In order to expedite the process and to enable the parties to seek, in an orderly fashion, to resolve their disputes, it is hereby

ORDERED that the Debtors shall serve upon each creditor whose claim has been contested and who has requested a hearing thereon a copy of this order; and it is

FURTHER ORDERED that each such creditor shall, within twenty (20) days after service of this order on the creditor, explain to the Debtors by filing a written statement with Debtors' counsel the reason for asserting the claim that has been filed in these proceedings, which explanation must include any records or documents which support the claimant's position; and it is

FURTHER ORDERED that failure to respond to this order will result in the claimant's claim being allowed only in the amount proposed by the Debtors; and it is

FURTHER ORDERED that the Debtors and the Claimants must engage in at least one attempt to resolve their differences before any such disputed claim may be set for hearing with this Court; and it is

FURTHER ORDERED that the Debtors and any claimant may request a hearing only on certification to the Court that they were unable to resolve the disputed claim pursuant to their settlement discussions. Such certification will further include an estimate of the amount of time necessary to hear the claim matter.

Dated:

By the Court:

Charles E. Matheson, Chief Judge

Exhibit III-7. Sample Order Regarding Estimation of Claims Through Summary Trial

**United States Bankruptcy Court, E.D. Missouri,
Eastern Division.
In re APEX OIL COMPANY, et al., Debtors.
In re UNITED STATES of America
DEPARTMENT OF ENERGY, Claimant.
Bankruptcy Nos. 87-03804-BSS, 87-03818-BSS, and 87-03805-BSS.**

October 3, 1988.

Pursuant to *Rule 16 of the Federal Rules of Civil Procedure*, as incorporated by Bankruptcy Rule 7016, and *11 U.S.C. § 502(c)*, the Court hereby orders that the following summary trial procedures shall apply for estimation of the above cited Claims:

Pretrial Procedures

I. Stipulation

1. The Claimant and Objectors shall meet, identify and stipulate in writing to the primary components of the Claims.
2. Components listed shall be identified by Roman Numerals.
3. This list shall be filed with the Court on or before October 14, 1988.
4. If the parties are unable to agree upon all of the components comprising the Claims, they shall file with the Court and serve upon the Examiner such stipulated list of components which have been agreed upon. Additionally each party and the Examiner shall file with the Court a concise list of components they believe should be included as comprising the Claims. Each party and the Examiner shall simultaneously file with the Court a memorandum in support of their respective lists, which shall not exceed two (2) pages (including exhibits) per proposed component. The memorandum in entirety (including the list and exhibits) may not exceed ten (10) pages. All lists and memoranda under this paragraph shall be filed with the Court on or before October 19, 1988.

II. Statement of Claim

5. Claimant shall identify with particularity all the elements of each component, in a numbered list. This list shall be filed with the Court and served upon opposing counsel and the Examiner no later than October 28, 1988.
6. Each element of Claimant's list should refer to the specific regulations upon which the element is based.

III. Objections

7. The Objectors shall jointly file a Response to the Claimant's list by either admitting or denying each element. With respect to each denial, the Objectors shall state the reason for such denial. The Objectors shall also admit or deny the applicability of the specified regulation. This Response is to be filed with the Court and served on opposing counsel and the Examiner no later than November 9, 1988.

8. Any element of Claimant's list not specifically objected to shall be deemed admitted for purposes of this estimation proceeding.

IV. Discovery

9. All parties shall be permitted to utilize full discovery procedures pursuant to *Rules 27-37 of the Federal Rules of Civil Procedure*, except that the total number of interrogatories propounded to each party shall be limited to twenty (20) pursuant to Rule 8(A) of the United States District Court Rules for the Eastern District of Missouri.

10. On or before November 16, 1988, all parties shall file with the Court a list of witnesses to be called to testify at the estimation trial. All persons identified as witnesses shall attend the trial regardless of whether he or she is called to testify by the offering party.

11. No witnesses other than those listed may testify at the estimation trial.

12. On or before December 14, 1988, all parties shall file with the Court and serve on opposing counsel their proposed findings of fact and proposed conclusions of law. Each shall be listed under the component of the Claims to which it applies.

13. On or before December 14, 1988, each party shall file with the Court and serve upon opposing counsel and the Examiner a trial brief, not to exceed 30 pages in length (including exhibits).

14. On December 14, 1988, each party shall file with the Court a written list of the components comprising the claim (see paragraphs 1 and 4 above). Each party shall assign to each component a value which they believe represents the allowed amount of such component, plus interest, if any, which may have accrued.

15. Any objections to discovery (e.g., interrogatories, requests, etc.) shall be made within five (5) business days of receipt of such discovery requests and parties will be available for expedited hearings to resolve such objections.

V. Examiner

16. The Examiner shall receive and monitor all written discovery and attend all depositions and meetings between the parties. The Examiner shall also attend the estimation trial.

17. The Examiner is charged with facilitating compliance with this Order within the context of his role as mediator. He shall continue his efforts to encourage settlement of this matter.

Trial Procedures

VI. Trial Structure

18. The estimation trial shall commence on December 21, 1988.

19. Claimant shall have a total of six (6) hours to present its case to the Court. The Objectors (collectively) shall have a total of six (6) hours to present their case to the Court.

20. The oral presentation shall be organized in the manner of a typical trial:

- A. Each party shall make an opening statement and then present their respective case-in-chief in accordance with paragraph 21 below.
- B. The attorneys may identify available witnesses, comment on any evidence and quote directly from depositions, interrogatories, requests for admissions, documentary evidence, and sworn statements of potential witnesses (hereinafter "Attorney Presentation"). However, witnesses' testimony or documentary evidence may not be referred to unless the reference is based upon one of the products of the various discovery procedures or upon a written sworn statement of the witnesses if such witness is in the Courtroom.
- C. Each party may present testimony through witnesses.
- D. Objections to Attorney Presentations will be received based upon counsel going beyond the limits of propriety in presenting statements as to evidence of argument thereon. All evidence presented or described by counsel shall be admissible if it has any tendency to make the existence of any fact that is of consequence to the determination of the action more probable or less probable than it would be without evidence, except that counsel may not introduce evidence if its probative value is substantially outweighed by the danger of undue prejudice or confusion of the issues.

21. The parties are free to divide their allotted time among the above segments as they see fit, but in no event shall the total time allotted to each party exceed six (6) hours.

22. Each party will have 45 minutes additional time within which to make any concluding remarks.

23. Each party must be represented at trial by an individual with full settlement authority and a thorough knowledge of the case. This individual must be present throughout the estimation trial. This requirement can be waived only by order of the Court and upon a showing of extraordinary circumstances.

24. Objectors shall number their trial exhibits with Arabic numbers. Claimants shall number their exhibits with letters. Joint exhibits shall be marked in Roman numerals. The parties shall exchange copies of their binders (identified in paragraph 25 below) and shall provide the Court with three (3) copies of each set, on or before December 14, 1988.

25. All exhibits shall be organized in the following manner:
- A. All evidence supporting a component shall be bound together in a binder and identified by a Roman numeral corresponding to the Roman numeral assigned to that component under paragraph two (2) above.
 - B. Each binder shall be organized by the element of each component. Each binder shall contain an index listing the evidence therein and listing the proposed findings of fact and conclusions of law which each exhibit supports. Binders shall be filed with the Court on or before December 14, 1988.
 - C. Each binder shall contain a brief statement, not to exceed five (5) pages, summarizing the evidence therein.
 - D. Claimant's binders shall be under red cover.
 - E. Objectors' binders shall be under blue cover.
 - F. Portions of exhibits extrinsic to the element of a component shall be eliminated from the binder (e.g., only that portion of an affidavit, deposition or document supporting an element may be included in the binder).
26. Any pleading submitted shall bear the style as set forth on page one of this Order.
27. The Court reserves the right to order specific supplemental procedures, modification of these procedures or other relief for particular claims upon written motion of any party involved in the hearing of such claims.

Exhibit IV-1. Sample Confirmation Trial Scheduling Order

UNITED STATES BANKRUPTCY COURT NORTHERN DISTRICT OF CALIFORNIA

In re	)	Bankruptcy Case
	)	No. 01 -30923 SFM
PACIFIC GAS AND ELECTRIC)	
COMPANY, a California Corporation,	)	Chapter 11
)	
Debtor.)	
_____)	

CONFIRMATION TRIAL SCHEDULING ORDER

This order governs the trials on confirmation of two separate plans of reorganization filed in the bankruptcy case of Pacific Gas & Electric Company (“PG&E”). The court shall first conduct trial on the plan of reorganization (the “CPUC Plan”) filed by the California Public Utilities Commission (“CPUC”). The Official Committee of Unsecured Creditors (the “Committee”) has joined as a proponent of the CPUC Plan. The CPUC and Committee are collectively referred to as the “CPUC Plan Proponents.” The court will thereafter proceed to trial on the confirmation of the plan of reorganization (“PG&E Plan”), filed by PG&E and its coproponent, PG&E Corporation (collectively with PG&E, the “PG&E Plan Proponents”). The PG&E Plan Proponents and the CPUC Plan proponents are collectively referred to as “Proponents.” Certain persons or entities—other than the Proponents—timely filed and served objections to the PG&E Plan or the CPUC Plan or both (the “Objectors”). The Proponents, the Objectors and the United States Trustees are collectively referred to herein as the “Parties,” or a “Party.” It is ORDERED:

I. DATES AND TIMES OF TRIALS

1. Trial on confirmation of the CPUC Plan (“CPUC Trial”) shall commence on November 18, 2002, at 9:30 a.m., at the United States Bankruptcy Court, 235 Pine Street, Twenty-Second Floor, San Francisco, CA 94104. The trial on confirmation of the PG&E Plan (“PG&E Trial”) shall follow the CPUC Trial (although some objections common to both plans may be tried during the PG&E Trial).¹ The CPUC Trial and the PG&E Trial shall collectively be referred to as the “Trial.”

1. With respect to such common objections, the Objectors shall follow the rules applicable to the PG&E Plan as if the CPUC Plan were being tried concurrently with the PG&E Plan instead of before the PG&E Plan, and the common objections, evidence, filings, and positions of the Objectors with respect to the PG&E Plan shall automatically apply equally to the CPUC Plan. Objectors with such common objections and the Proponents shall meet and confer in order to make arrangements necessary to avoid duplication of trial on common issues. This court will separately resolve any disagreements between such Objectors and the Proponents, if necessary, on application by any of them after such meet and confer efforts.

Tentatively the CPUC Trial shall be completed by December 5, and the PG&E Trial shall start on December 16. The four trial days of December 9–12 shall be held available in case the court permits the CPUC Trial to run longer, or directs the PG&E Trial to start earlier.

2. Unless otherwise ordered, the court will conduct the Trial from 9:30 a.m. through 12:30 p.m. and 1:30 p.m. through 4:30 p.m. (with fifteen-minute breaks in the morning and afternoon). If necessary, the times may be adjusted to facilitate completion of testimony of witnesses. The court will conduct trial on the following dates in 2002:²

- Monday, November 18 through Friday, November 22
- Monday, November 25 and Tuesday, November 26
- Monday, December 2 through Thursday, December 5
- Monday, December 9 through Thursday, December 12
- Monday, December 16 through Friday, December 20 (excluding the afternoon of Thursday, December 19)

II. PROPOSED FINDINGS OF FACT

3. All proposed findings and counter-findings shall be simple, declarative, non-argumentative, and consecutively numbered; supported by citations to or identification of the witnesses, declarations, documents or other evidence which shall support that finding; categorized by issue or elements of proof (i.e., facts supporting conclusion that a particular plan is feasible, that a particular plan has been filed in good faith, etc.); captioned to identify the party submitting them, the appropriate plan, and the date of the submission (e.g., “Proposed Counter-Findings of Fact (PG&E Plan-CCSF-12-9-02)”); served on all Proponents and Objectors; filed in a hard copy form; and e-mailed (preferably, but optionally, in WordPerfect format) with the title “Proposed Findings” to [judge’s law clerk, email address].

The CPUC Trial

4. On or before November 1, 2002, the CPUC Plan Proponents shall file and serve proposed findings of fact in support of their case in chief. The CPUC Plan Proponents shall, based on their good-faith belief, identify each proposed finding as disputed or undisputed.

5. On or before November 8, 2002, the PG&E Plan Proponents shall file and serve counter-findings. Unless the PG&E Plan Proponents specifically dispute a finding labeled as “undisputed” by the CPUC Plan Proponents, that finding will be deemed undisputed. The PG&E Plan Proponents should propose any findings that may be contrary to or in addition to those proposed by the CPUC Plan Proponents.

6. On or before November 15, 2002, the Objectors shall file and serve counter-findings. An Objector should not propose counter-findings if the PG&E Plan Propo-

2. The court will add dates for 2003 by subsequent order after conferring with counsel during the Trial.

nents have already disputed a CPUC finding and proposed a counter-finding supported by evidence acceptable to the Objector. Unless the objectors specifically dispute a finding that is (1) labeled as “undisputed” by the CPUC Plan Proponents and (2) not opposed by the PG&E Plan Proponents, that finding will be deemed uncontested.

The PG&E Trial

7. On or before November 20, 2002, the PG&E Plan Proponents shall file and serve proposed findings of fact in support of their case-in-chief. Other than the deadline described therein, the PG&E Plan Proponents should comply with paragraph 4 above.

8. On or before December 4, 2002, the CPUC Plan Proponents shall file and serve counter-findings. Other than the deadline described therein, the CPUC Plan Proponents should comply with paragraph 5 above.

9. On or before December 11, 2002, the objectors shall file and serve counter-findings. Other than the deadline described therein, objectors should comply with paragraph 6.

III. TRIAL BRIEFS

10. Proponents’ trial briefs in support of their own plans shall not exceed 45 pages; their responsive briefs shall not exceed 25 pages; Objectors’ trial briefs shall not exceed 15 pages and shall not repeat legal arguments made by the Proponents in their briefs. Objectors may incorporate and join Proponents’ arguments in a footnote. The page limitation may be adjusted for any Party only upon the receipt of prior permission from this court.

11. With respect to the CPUC Trial, the CPUC Plan Proponents shall file and serve their trial brief in support of their case-in-chief on or before November 1, 2002; the PG&E Plan Proponents shall file and serve any responsive trial brief on or before November 8, 2002; and the objectors shall file and serve their respective trial briefs on or before November 15, 2002.

12. With respect to the PG&E Trial, the PG&E Plan Proponents shall file and serve their trial brief in support of their case-in-chief on or before November 20, 2002; the CPUC Plan Proponents shall file and serve any responsive trial brief on or before December 4, 2002; and the Objectors shall file and serve their respective trial briefs on or before December 11, 2002.

IV. SUPPLEMENTAL OBJECTIONS

13. Within two weeks of the date of this order, objectors and the Proponents may file and serve supplemental bullet-point objections to the PG&E Plan, the CPUC Plan or both. These supplemental objections should succinctly identify grounds for denying confirmation that were not available prior to the previous deadline for filing objections.

V. EXPERT DECLARATIONS

14. Direct expert testimony shall be presented by declarations. To cross-examine any of the expert declarants, a Party shall notify the Party who has filed the expert declaration, in which case the declarant will be required to attend the Trial. Any Party who requests the right to cross-examine and then does not do so will be expected to reimburse the opposing Party no less than the expenses incurred in producing the declarant at the Trial, unless another Party has cross-examined the witness as well. If no cross-examination is requested, the declaration and testimony will be deemed submitted and the declarant will not be required to appear at trial. If cross-examination is requested, live testimony shall begin with a cross-examination by the opposing Party or Parties, followed by re-direct examination by the Party offering the witness.³

15. With respect to the CPUC Trial, the CPUC Proponents, the PG&E Proponents and the Objectors shall file and serve experts' declarations no later than November 1, 2002. Any Party wishing to cross-examine a declarant must notify the Party offering the declarant no later than November 8, 2002.

16. With respect to the PG&E Trial, the PG&E Proponents, the CPUC Proponents and the objectors shall file and serve experts' declarations no later than November 13, 2002. Any Party wishing to cross-examine a declarant must notify the Party offering the declarant no later than November 20, 2002.

VI. EXCHANGE OF WITNESS LISTS

17. By the deadlines set forth in paragraph 18, all Parties shall serve and file their list of trial witnesses, excluding those to be called purely for rebuttal or impeachment. The presence of a witness' name on the witness list is to alert the court and the other side that the witness may be called. It does not mean that a particular person will be called. Accordingly, each Party is responsible for ensuring the attendance of every witness the Party intends to call, whether or not named by the other side. Except in exceptional circumstances, and absent consent by the other side, a Party will not be allowed to call a witness not named on that Party's witness list. Counsel will be expected to advise the court during the Trial about those witnesses they expect to call in the following days.

18. With respect to the CPUC Trial, all Parties shall serve their list of trial witnesses no later than November 1, 2002. With respect to the PG&E Trial, all Parties shall serve their list of witnesses no later than November 27, 2002.

VII. EXCHANGE OF EXHIBITS AND EXHIBIT LISTS

19. Exhibit Lists: With respect to the CPUC Trial, all parties shall file and serve by November 1, 2002, their lists identifying exhibits they intend to introduce or use

3. A Party may also submit written declarations of its fact witnesses in lieu of live direct testimony, as long as the Party complies with the procedures and deadlines set forth in paragraphs 14–16; provided, however, declarations of fact witnesses for the CPUC Trial must be filed and served no later than October 21, 2002.

at trial, excluding exhibits to be presented for impeachment or rebuttal purposes. With respect to the PG&E Trial, all parties shall file and serve by November 27, 2002, their lists identifying exhibits they intend to introduce or use at trial, excluding exhibits to be presented for impeachment or rebuttal purposes.

20. Exhibits: By the deadlines set forth in paragraphs 23 and 24, all Parties shall make available their exhibits to Proponents, the Committee, and any Objector who requests in writing copies of the trial exhibits. The exhibits shall be exchanged in the form and format in which they will be used at trial, unless the Parties agree otherwise. All Parties shall provide to the court—but not file—two hard-copy sets of binders, tabbed and with numbered pages, containing the documentary exhibits to be introduced.⁴ All exhibits shall be numbered, preceded by an easily identifiable abbreviation for each Party. For example, the PG&E Proponents should identify their exhibits as “PG&E #.” Any paper(s) in the court’s file of which a Party intends the court to take judicial notice must be copied and included as an exhibit(s). All declarations and supporting reports shall be pre-marked as exhibits.

21. In the event a Party objects to another Party’s exhibit, the Parties must meet and confer before Trial to attempt to reach agreement regarding admissibility. The court expects the Parties to make good faith efforts to resolve all evidentiary issues. By the deadlines set forth in paragraphs 23 and 24 below, the Parties should file and serve any objections they may have with respect to admission of another Party’s evidence or with respect to another Party’s witness. Objections to evidence not raised in this form, other than objections under Fed. R. Evid. 402 and 403, shall be waived.

22. At the commencement of Trial, the Parties shall be prepared to stipulate into evidence all exhibits that are admissible for at least one purpose. Bona-fide objections may be reserved, with the issue of admissibility deferred until the exhibit is offered into evidence.

23. CPUC Trial: With respect to the CPUC Trial, the Parties shall exchange their exhibits no later than November 1, 2002. No later than November 15, all Parties should provide the court with the binders described in paragraph 20. Any Party objecting to any exhibits should file and serve such objections by November 8, 2002 (in accordance with the procedures described in paragraph 21) and the Party offering the exhibit should file a response by November 15, 2002.

24. PG&E Trial: With respect to the PG&E Trial, the Parties shall exchange their exhibits no later than November 27, 2002. No later than December 6, 2002, all Parties should provide the court with the binders described in paragraph 20. Any Party objecting to any exhibits should file and serve such objections by December 4, 2002 (in accordance with the procedures described in paragraph 21) and the Party offering the exhibit should file a response by December 11, 2002.

4. Parties who intend to present exhibits electronically or digitally at trial are encouraged, but not required, to provide the court with three sets of compact discs with electronic versions of the documents. Parties are encouraged to consult with counsel for the PG&E Proponents to coordinate formats (e.g., TIFF or PDF) and to facilitate compatibility and use of courtroom technology.

VIII. CROSS-EXAMINATION BY OBJECTORS

25. The court expects counsel for Objectors to confer and coordinate their cross-examination to minimize duplication and maximize efficiency.

IX. TRIAL OBJECTIONS

26. Any objections during trial as to the admissibility of exhibits or regarding the questioning of a witness will be deemed joined by all other opposing Parties, unless an opposing Party specifically opts out of that objection.

X. COURT SECURITY

27. All persons (counsel, witnesses and others) who intend to appear at court must show some type of governmental identification with picture to the marshals before going through security. Any person without such identification will not be allowed to go to the courtroom.

XI. PARTICIPATION BY TELEPHONE

28. Parties may monitor the Trial by telephone in the same manner as they have throughout this case, but they will not be permitted to examine witnesses by telephone.

Dated: _____, 2002

UNITED STATES BANKRUPTCY JUDGE

Exhibit IV-2. Sample Order on Final Fee Application Procedures

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW HAMPSHIRE

In re	)	Chapter 11
	)	Case No.
)	
	)	<u>Hearing</u>
	)	Date: May 25, 1990
	)	Time: 9:30 a.m.
Debtor)	

Order Setting Final Fee Procedures

This Court held a hearing on May 25, 1990, on its Order Setting Hearing on Post Confirmation Procedures, entered May 7, 1990, on various issues, including procedures for filing, hearing, and determining motions for allowance of final compensation. Based on the Order, on the Joint Statement of [debtor's name], the Unsecured Creditors Committee and the Equity Committee, which [acquiring company's name] supported, on the hearing, on the record in this case, and good cause appearing, it is

ORDERED:

1. The procedures set forth in this Order supersede paragraph 44 of the Order Confirming Third Amended Joint Plan of Reorganization.

2. For the purposes of the procedures established under this Order, parties and professionals who intend to seek payment by the estate of final compensation for services rendered in or in connection with this Chapter 11 case or reimbursement of costs or expenses (including attorneys' fees) incurred in or in connection with this Chapter 11 case ("final compensation") shall be divided into three categories:

a. **Nonreorganization Professionals:** All professionals employed at the expense of the estate, including those previously designated by this Court as "nonreorganization counsel," accountants, the Examiner, his counsel, and his financial analyst, and including specifically the law firms of [names], and entities (other than those included in the next two subparagraphs) who wish to have included as part of an allowed claim any such compensation or reimbursement, are hereby defined as "nonreorganization professionals" for present purposes;

b. **Nonestate Professionals:** Indenture trustees for any issue of outstanding securities of [debtor's name], the agents for [name] and [name] and all professionals retained or employed by them, are hereby defined as "nonestate professionals" for present purposes; and

c. **Reorganization Professionals:** Reorganization professionals whose employment has been authorized by court order at the expense of the estate (excluding any listed above) under sections 330(a) and 503(b)(2) of the Bankruptcy Code, or whose compensation is based upon a claim under either section 503(b)(3) or (4) of the Bankruptcy Code on account of a substantial contribution to the case or on a pro-

vision of the Third Amended Joint Plan or the Rate Agreement, including specifically:

- i. the following professionals employed by [debtor's name]: [names] (for both its financial advisory services and its merger and acquisition services); by the Creditors Committee: [names]; and by the Equity Committee: [names];
- ii. [creditors' names];
- iii. the State of New Hampshire; are hereby defined as "reorganization professionals" for present purposes.

Nonreorganization and Nonstate Professionals

3. All nonreorganization professionals and all nonstate professionals who intend to seek payment by the estate of final compensation shall file a motion for allowance of final compensation, or, if appropriate, a request for payment of final compensation as an administrative expense, for all services rendered or costs or expenses incurred through April 30, 1990, on or before Friday, June 22, 1990, in the form and manner required by the Bankruptcy Rules.

4. All motions or requests filed under paragraph 3 of this order shall be served on the Full List, except that copies of billing detail attached to the motion or request need be served only on the United States Trustee, [debtor's name], counsel for [acquiring company's name], counsel for the Creditors Committee, and counsel for the Equity Committee and made available upon request to all other parties.

Nonreorganization Professionals

5. Any response, objection, or opposition to a request under paragraph 3 of this Order by a nonreorganization professional for final compensation shall be filed with this Court and served on the Short List and on the party requesting the compensation or reimbursement on or before Tuesday, July 31, 1990. Any reply by the requesting party shall be filed with this Court and served on the Short List and on the objecting party on or before Tuesday, August 21, 1990.

6. A hearing shall be held at 9:30 a.m. on Friday, August 24, 1990. At that time, this Court will hear any requests filed under paragraph 2 of this Order by a nonreorganization professional to which no objection is made or as to which the objection does not involve a substantial question of law or fact and will fix a hearing schedule for any such objection that does involve a substantial question of law or fact.

7. The orders of this Court regarding interim compensation procedures shall no longer apply to nonreorganization professionals for any services rendered or costs incurred after April 30, 1990. Any nonreorganization professional employed at the expense of the estate (other than the Examiner, his counsel, or his financial analyst) who renders services or incurs costs or expenses after April 30, 1990, may request payment from [debtor's name] in the ordinary course of business, without either prior or subsequent application to or approval of this Court, but payment for any such services rendered or costs or expenses incurred before the Effective Date of the Plan

is subject to the continuing jurisdiction of this Court and may be reviewed, either before or after payment, upon an appropriate noticed motion.

Nonestate Professionals

8. Any response, objection, or opposition to a request under paragraph 3 of this Order by a nonestate professional for final compensation shall be filed with this Court and served on the Short List and on the party requesting the compensation or reimbursement on or before Friday, August 17, 1990. This Court will hear and consider at 9:30 a.m., on Friday, August 24, 1990, any request to which no objection has been made and will determine a date in late September, calendar permitting, for a hearing on any request to which an objection has been made. Any reply by the requesting party need not be filed immediately but shall be filed with this Court and served on the Short List and on the objecting party at least 10 days before the date set after the August 24th hearing for the hearing on the objection.

9. Any indenture trustee who renders services or incurs costs or expenses (including attorneys' fees) after April 30, 1990, may bill [debtor] and [debtor] may pay any such bill, in the ordinary course of business, without either prior or subsequent application to or approval by this Court, but payment for any such services rendered or costs or expenses incurred before the Effective Date of the Plan remains subject to the continuing jurisdiction of this Court and may be reviewed, either before or after payment, upon an appropriate noticed motion.

Reorganization Professionals

10. On or before June 22, 1990, reorganization professionals shall give [acquiring company]'s counsel in writing a nonbinding estimate, for [acquiring company]'s use for cash planning purposes, of any final compensation in addition to payments already received that the professional intends to seek for services rendered or costs or expenses incurred through April 30, 1990. Copies of the estimate shall be sent to [debtor] (c/o [name], Assistant Treasurer) and to counsel for the Creditors Committee and the Equity Committee but shall not be filed with the Court.

11. This Court will hear and consider at 9:30 a.m., on Friday, August 24, 1990, the question of an appropriate time for the filing and hearing of motions for final compensation of reorganization professionals in light of when the Effective Date of the Plan is then expected to occur.

12. Pending the filing of motions for final compensation for reorganization professionals, all orders of this Court regarding interim compensation shall continue to apply to reorganization professionals, as defined in this Order.

DONE and ORDERED at Manchester, New Hampshire this 1st day of June, 1990.

BANKRUPTCY JUDGE

Debtor to serve Full List